



HTC Corporation 2020 AGM AGENDA BOOK

June 19, 2020 at 9 a.m.
Chuto Hotel in Taoyuan City, Jin Long Room



HTC CORPORATION

2020 Annual General Shareholders' Meeting Agenda Book

Table of Contents

Index

Meeting Procedure	1
Meeting Agenda	2
Report Items	3
Matters for Ratification	4
Matters for Discussion	5
Extraordinary Motions	5

Supplements

Supplement 1 : The 2019 business report	6
Supplement 2 : Audit Committee's review report	10
Supplement 3 : The 2019 CPA Audit Report and Financial Statements	11
Supplement 4 : The 2019 CPA Audit Report and Consolidated Financial Statements	21
Supplement 5 : The 2019 deficit compensation statements	31
Supplement 6 : Before and After Revision of the Article of Incorporation	32
Supplement 7 : Before and After Revision of the Rules of Procedure for Shareholders Meetings	35

Appendixes

Appendix 1 : Rules of Procedure for Shareholders Meetings	41
Appendix 2 : Articles of Incorporation	44
Appendix 3 : Shareholding Status and Minimum Shareholding Requirements of Directors	49

Translation

This English version is a translation based on the original Chinese version.
Where any discrepancy arises between the two versions, the Chinese version shall prevail.

HTC CORPORATION

Procedure for 2020 Annual General Shareholders' Meeting

1. Call Meeting to Order
2. Seating of the Chair
3. Opening Remarks by the Chair
4. Report Items
5. Matters for Ratification
6. Matters for Discussion
7. Extraordinary Motions
8. Closure of the Meeting

HTC CORPORATION

Agenda for the 2020 Annual General Shareholders' Meeting

Time and Date: June 19, 2020 (Friday) at 9:00 a.m.

Location: Chuto Hotel, Jin Long Room (No.398 Taoying Road, Taoyuan City)

1. Opening Remarks by the Chair
2. Report Items
 - Item 1 : The 2019 business report
 - Item 2 : Audit Committee's review report
3. Matters for Ratification
 - Item 1 : The 2019 business report and financial statements
 - Item 2 : The 2019 deficit compensation proposal
4. Matters for Discussion
 - Item 1 : Amendment of the Articles of Incorporation of the Company
 - Item 2 : Amendment to the "Rules of Procedure for Shareholders Meetings" of the Company
5. Extraordinary Motions
6. Closure of the Meeting

Report Items

Item 1

The 2019 business report, submitted for review. (Proposed by the Board of Directors)

Explanation:

- (1) Please refer to Supplement 1 of this handbook (page 6) for the 2019 business report.
- (2) Please review.

Item 2

Audit Committee's review report, submitted for review. (Proposed by the Board of Directors)

Explanation:

- (1) Please refer to Supplement 2 of this handbook (page 10) for the Audit Committee's review report.
- (2) Please review.

Matters for Ratification

Item 1

The 2019 business report and financial statements. (Proposed by the Board of Directors)

Explanation:

- (1) The compilation of the Company's 2019 business report and financial statements are completed and has been approved by the Board of Directors. The financial statements have been audited and certified by Hsu, Wen-Ya, CPA, and Casey Lai, CPA, of Deloitte & Touche. The business report and financial statements have been reviewed by the Audit Committee, and are hereby submitted for adoption at Annual General Shareholders' Meeting.
- (2) Please refer to Supplement 1 (page 6), Supplement 3 (page 11) and Supplement 4 (page 21) of this handbook for the 2019 Business Report, the CPA Audit Report issued by Deloitte & Touche and the financial statements, respectively.
- (3) Adoption requested.

Resolution:

Item 2

The 2019 deficit compensation proposal. (Proposed by the Board of Directors)

Explanation:

- (1) The Company's net loss for the 2019 was NT\$9,358,078,727. Please refer to Supplement 5 of this handbook (page 31) for the chart of the deficit compensation for the 2019. It is proposed not to distribute share dividends to the shareholders.
- (2) Adoption requested.

Resolution:

Matters for Discussion:

Item 1

Proposal to amend the Articles of Incorporation is submitted for discussion.

(Proposed by the Board of Directors)

Explanation:

- (1) Partial amendment to the Company's Articles of Incorporation is proposed to accommodate with the Company Act and the operational needs of the Company. Please refer to Supplement 6 of this handbook (page 32) for the Before and After Revision of the Articles of Incorporation.
- (2) Resolution requested.

Resolution:

Item 2

Proposal to amend the “Rules of Procedure for Shareholders Meetings” is submitted for discussion.

(Proposed by the Board of Directors)

Explanation:

- (1) Partial amendment to the “Rules of Procedure for Shareholders Meetings” of the Company is proposed to accommodate with the revisions of “Sample Template for Rules of Procedure for Shareholders Meetings” announced by the Letter of the Taiwan Stock Exchange Corporation dated January 2, 2020 (Reference No. Tai-Cheng-Chih-Li-Tzu-1080024221). Please refer to Supplement 7 of this handbook (page 35) for the Before and After Revision of the Articles of Incorporation
- (2) Resolution requested.

Resolution:

Extraordinary Motions

Closure of the Meeting

Supplement 1

HTC CORPORATION

The 2019 Business Report

Over 2019, HTC's continued laser focus on innovation paid off, with numerous product highlights across our hardware, software, platform and services, strengthening HTC's position in the global technology market. HTC remains intent on driving our vision of VIVE Reality, investing in the key technologies of virtual and augmented reality, artificial intelligence, high-speed 5G connectivity and emerging technologies like blockchain to drive a world where technology will fade into the background and human experiences will come to the forefront.

At the time of publication, much of the world has been afflicted by a new coronavirus pandemic (COVID-19) that is disrupting society in dramatic ways. Governments have imposed isolation policies on billions of people, requiring an immediate transition to home-based working, entertainment, education and communication. Through our VIVE virtual reality systems and platforms, HTC is helping to bridge those distances, working with strategic content and platform partners to enable remote socializing, meeting, collaborating, learning, training, wellness, and much more. And while major industry events such as Mobile World Congress 2020 have been cancelled to prevent further spread of the virus, HTC proceeded with 2020 VIVE Ecosystem Conference completely virtually, with over 2,000 people joining in VR and a million watching the livestream in many countries around the world, demonstrating our thought leadership and pioneering spirit. With our clear vision and focused product and platform strategy, HTC has prepared well to facilitate society changes and seize the opportunities arising from this and future transitions.

HTC's drive to enhance our operations, create a more balanced structure and be more thoughtful in our product decisions over the last few years has enabled HTC to commence its transformation into the next stage of its development. Accordingly, the Board of Directors appointed Yves Maitre as Chief Executive Officer in September 2019 to continue that transformation. A veteran executive of Orange, the leading telecom operator, Yves brings a deep reserve of experience in consumer and technology markets, and industry partnerships to HTC.

In terms of product success, HTC earned 36 awards at the Consumer Electronics Show (CES) in Las Vegas in January 2019, covering hardware, software and platform offerings. The VIVE Pro Eye earned a 'Best Invention of the Year 2019' award from Time Magazine, while the first product in our new 5G portfolio, the HTC 5G Hub, won ten awards at Mobile World Congress the following month, impressing carriers and consumers alike with its powerful connectivity and versatility. With such a strong foundation of technical expertise and market experience, HTC expects to continue driving innovation into 2020 and far beyond.

Product Strategy

In line with our VIVE Reality vision, HTC has focused on developing and implementing the core technologies of virtual reality, 5G connectivity, blockchain and artificial intelligence across our portfolio,

and developing the platforms and content necessary for complete ecosystems to drive implementation and user adoption.

Smartphones and Connected Devices

Given the high levels of investment globally into forthcoming 5G mobile networks, HTC maintained a keen focus on 5G in 2019 to ensure a key position in this fast-developing ecosystem. The first product in this series, and one of the world's first 5G devices, the HTC 5G Hub, was launched at Mobile World Congress in February 2019, with leading telecom carriers joining as launch partners. The 5G Hub combines three devices in one compact form factor: a 5G-supported hotspot and a router that allows up to 20 users to benefit from the ultra-fast connectivity, and a plug-and-play entertainment hub for 4K video streaming and low-latency gaming, providing a convenient way to integrate the burgeoning 5G connectivity into homes and offices as well as on the go. The 5G Hub maintained momentum over the year, with more telecom carriers realizing its potential to help drive 5G adoption among their customers. HTC will continue to focus on product offerings that take full advantage of 5G for multiple market segments.

Also in 2019, HTC launched four highly targeted mid- to low-level smartphones: the HTC U19e, Desire 19+, Wildfire X, and Desire 19s in select markets around the world.

VIVE Virtual Reality

HTC continued to gain the world's attention and numerous awards over 2019. Most importantly, HTC once again redefined premium VR with a high-quality user experience for both consumers and enterprise through revolutionary hardware and software applications as well as content services.

At CES 2019, HTC unveiled the brand new VIVE Pro Eye headset. With the growth of commercial VR demand, the launch of VIVE Pro Eye introduced eye tracking technology to the VR sector, with applications including advanced training and eye movement-based data analysis, providing professional users with a way to continue to improve how we interact and work with VR. The VIVE Pro Eye integrates artificial intelligence to deliver far greater accuracy in tracking human behaviour and attention, leading to more sophisticated commercial, training and educating techniques, as well as enabling foveated rendering for greater power efficiency.

For standalone VR, the latest generation VIVE Focus Plus started shipping in April 2019. Designed to meet training and collaboration needs of enterprise users, the VIVE Focus Plus is a professional-grade all-in-one VR headset with six degrees of freedom, enabling users to seamlessly interact with their virtual environment with the same freedom as PC VR devices.

Later in the year, the VIVE Cosmos was launched, representing a new approach to PC VR. Delivering the most impressive VIVE visual resolution yet, the VIVE Cosmos enables a dive into virtual reality with a much simplified setup and inside-out tracking for plug-and-play portability, with no need for base stations. Six camera sensors expand the range of motion, with accurate inside-out tracking via a wide field of view and six degrees of freedom support. VIVE Cosmos also heralds the era of being able to tailor the VR experience with a forthcoming range of modular faceplates that change the functionality of the device, providing an adaptable headset that can grow with users.

VIVE Cosmos was the platform of choice for the highly successful VIVE Arts collaboration with the Louvre museum in Paris, where an engaging insight into the Mona Lisa painting was experienced by thousands of visitors to the museum's remarkable exhibition to mark the 500th anniversary of the passing of Leonardo da Vinci. VIVE Arts participated in other exhibitions around the world, including at the National Palace Museum in Taiwan, and again worked with contemporary artists on acclaimed VR installations at Art Basel Hong Kong and the Venice Biennale, while VIVE Originals collected numerous awards for its co-produced VR movie shorts at international film festivals.

For the development of VR and AR, we believe that it is important to focus not only hardware, but also on software, platforms, services and associated content. In 2019, we launched the world's first new unlimited cross-brand virtual reality subscription service, VIVEPORT Infinity, and our new VR portal interface, the VIVE Reality System, which significantly updated the presentation interface of the VIVE platform. The VIVE Reality System is an entirely new design philosophy for VR, designed to make VR feel less like launching apps and more like stepping between worlds.

The VIVE X accelerator program continued in six cities around the world, attracting exciting talent to the program to create new tools, applications and solutions in the VR space and beyond. The proportion of companies involved in enterprise applications increased in 2019, reflecting the importance and potential of this market.

The wide implementation of isolation and distancing practices prompted by the COVID-19 pandemic has changed the way we interact with each other, and we recognize that in every disruptive change in the world, there arises opportunity for technology to improve our lives. Accordingly, during the lockdowns, we have broadened access to our Viveport content store to enable people to enjoy entertainment and learn more about our world in VR, as well as run pilots of our VIVE Sync virtual business meeting application. We envisage that the current conditions will extend the trend towards remote working and online lifestyles long after the pandemic subsides, and that VR will increasingly come to the forefront as the most realistic in-person remote working experience.

Looking ahead to 2020, we expect to continue to introduce more breakthrough software and hardware products in the VR and AR fields. Since VIVE Reality involves the combining of VR with AR, 5G, AI, and blockchain technology, the launch of 5G commercialization in 2020 is expected to be a huge breakthrough both for the VR and AR industries.

Financial Performance

Over 2019, the Company continued the important work of streamlining operations, reducing expenditure where prudent while investing in new technologies, with an 18% reduction on operating expenditure from NTD 14.5 billion to NTD 11.9 billion. HTC has exerted considerable effort into refining the product mix to raise margins, with significant success, seeing sequential quarterly gross margin increases over the last two years; in 2019, gross margin was NTD 2 billion, representing strong year on year growth from 2.2% to 20.3%.

While positive trends could be seen in key product areas, overall business performance was again put under pressure; in 2019, HTC earned revenues of NTD 10 billion, gross profit of NTD 2 billion, and net

loss after tax of NTD 9.4 billion. However, we believe the operational and portfolio changes put in place over the year will position HTC well for the next few years.

Social Responsibility

HTC continues to enhance operations in the factory and our R&D and testing labs, improving manufacturing processes and quality standards, as well as seeking areas to reduce our emissions and raise our power efficiency.

HTC was proud to be awarded a gold medal in recognition of our EcoVadis CSR Rating 2019, which assesses a wide range of corporate social responsibility indicators in the core areas environment, labour and human rights, ethics, and sustainable procurement. In addition, HTC continues to combat climate change, calling on supply chain partners to jointly continue evaluations and actions on climate change measures. In the Carbon Disclosure Project, the world's largest carbon disclosure platform, HTC has attained management level in the climate change rating and leadership level in the supplier engagement rating.

HTC actively promotes the concept of waste reduction through concrete measures such as the classification, recycling and management of waste at the front end for employees to reduce waste generation as well as setting dedicated areas for general waste, resource recycling, and kitchen waste to facilitate resource recycling and reuse, to reduce the amount of waste produced, and to improve on the cleanliness of the environment. As an illustration of this, HTC's waste recycling rate has increased from 57% in 2011 to 85% in 2019; a remarkable achievement.

In early 2020, HTC was swift to implement appropriate measures to prevent the spread of COVID-19 in our offices across the globe to protect our most important asset, our talents, in line with and often exceeding the advice of local government and health officials, and continue to monitor the situation closely.

HTC would like to warmly thank our shareholders for their continued support. With the new leadership in place, HTC looks forward to another strong year of execution and improved operational performance as we maintain our path towards VIVE Reality.

HTC CORPORATION

Chairwoman: Cher Wang

CEO: Yves Maitre

Chief Accountant: Hsiu Lai

Supplement 2

HTC CORPORATION

Audit Committee Review Report

The Board of Directors has prepared the Company's 2019 Business Report, Financial Statements and proposal for deficit compensation. HTC Corporation's Financial Statements have been audited and certified by Hsu, Wen-Ya, CPA, and Casey Lai, CPA, of Deloitte & Touche and an audit report relating to the Financial Statements has been issued. The Business Report, Financial Statements and proposal for deficit compensation have been reviewed and considered to be complied with relevant rules by the undersigned, the Audit Committee of HTC Corporation. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

HTC CORPORATION

Chairman of the Audit Committee: Chen-Kuo Lin

May 7, 2020

Supplement 3

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
HTC Corporation

Opinion

We have audited the accompanying parent company only financial statements of HTC Corporation, which comprise the parent company only balance sheets as of December 31, 2019 and 2018, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of HTC Corporation as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan, the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of HTC Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of Taiwan, the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the parent company only financial statements for the year ended December 31, 2019 are as follows:

Revenue Recognition

According to the accounting policy stated in Note 4, revenue from the sale of goods is recognized when the control and risks are transferred to the buyers. The revenue recognition turns to be difficult due to the conditions of part of the customers accounts for 48% of operating revenues are more complicated than those applied to the general sale transactions. Because of the significance of sales revenue, revenue recognition was deemed to be a key audit matter.

We have obtained understanding and have verified the accounting policy and the design and implementation of internal controls with respect to HTC Corporation's revenue recognition. We checked the compliance with the accounting policy on revenue recognition by reviewing the relevant contracts. For ensuring HTC Corporation's compliance with IFRS 15, samples from the recognized revenue have been selected to test if the conditions of revenue recognition were met.

Responsibilities of Management and those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing HTC Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate HTC Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing HTC Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in Taiwan, the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in Taiwan, the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HTC Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on HTC Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause HTC Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within HTC Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wen-Yea, Shyu and Kwan-Chung, Lai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 2, 2020

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in Taiwan, the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in Taiwan, the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in Taiwan, the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail. Also, as stated in Note 4 to the parent company only financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.

HTC CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 10,452,400	19	\$ 13,445,203	19
Financial assets at fair value through profit or loss - current (Notes 7 and 29)	69,055	-	83,411	-
Trade receivables, net (Note 10)	189,937	1	75,940	-
Trade receivables - related parties, net (Notes 10 and 30)	106,950	-	377,736	1
Other receivables (Note 10)	64,754	-	87,323	-
Current tax assets (Note 25)	37,197	-	33,312	-
Inventories (Note 11)	1,744,345	3	2,784,808	4
Prepayments (Notes 12 and 30)	271,340	1	536,332	1
Other current financial assets (Notes 9 and 31)	1,786,889	3	10,642,639	15
Other current assets	<u>2</u>	-	<u>568</u>	-
Total current assets	<u>14,722,869</u>	<u>27</u>	<u>28,067,272</u>	<u>40</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	4,242	-	290,109	1
Investments accounted for using equity method (Note 13)	26,955,097	49	27,399,557	39
Property, plant and equipment (Notes 14 and 30)	7,171,857	13	7,638,244	11
Right-of-use assets (Notes 3 and 15)	8,321	-	-	-
Investment properties, net (Note 16)	2,068,531	4	2,090,226	3
Intangible assets (Note 17)	27,068	-	33,668	-
Deferred tax assets (Note 25)	3,468,482	6	3,827,502	6
Refundable deposits	78,065	-	89,358	-
Net defined benefit asset - non-current (Note 21)	289,464	1	270,358	-
Other non-current financial assets (Notes 9 and 31)	150,505	-	153,638	-
Other non-current assets (Note 12)	<u>25,294</u>	-	<u>31,572</u>	-
Total non-current assets	<u>40,246,926</u>	<u>73</u>	<u>41,824,232</u>	<u>60</u>
TOTAL	<u>\$ 54,969,795</u>	<u>100</u>	<u>\$ 69,891,504</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 7 and 29)	\$ 119,755	-	\$ 82,156	-
Note and trade payables (Notes 18 and 30)	10,197,831	18	12,121,891	17
Other payables (Notes 19 and 30)	7,544,835	14	9,506,714	14
Current tax liabilities (Note 25)	11,403	-	11,634	-
Provisions - current (Note 20)	1,438,149	3	1,865,066	3
Lease liabilities - current (Notes 3 and 15)	4,131	-	-	-
Other current liabilities (Note 19)	<u>599,569</u>	<u>1</u>	<u>979,467</u>	<u>1</u>
Total current liabilities	<u>19,915,673</u>	<u>36</u>	<u>24,566,928</u>	<u>35</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 25)	59,323	-	32,685	-
Lease liabilities - non-current (Notes 3 and 15)	4,213	-	-	-
Guarantee deposits received (Note 29)	<u>136,816</u>	<u>1</u>	<u>123,053</u>	-
Total non-current liabilities	<u>200,352</u>	<u>1</u>	<u>155,738</u>	-
Total liabilities	<u>20,116,025</u>	<u>37</u>	<u>24,722,666</u>	<u>35</u>
EQUITY (Note 22)				
Share capital - ordinary shares	8,188,086	15	8,188,135	12
Capital surplus	15,594,766	28	15,576,268	22
Retained earnings				
Legal reserve	18,895,136	34	18,297,655	26
Special reserve	3,080,480	6	-	-
(Accumulated deficits) unappropriated earnings	(7,169,626)	(13)	6,194,337	9
Other equity	<u>(3,735,072)</u>	<u>(7)</u>	<u>(3,087,557)</u>	<u>(4)</u>
Total equity	<u>34,853,770</u>	<u>63</u>	<u>45,168,838</u>	<u>65</u>
TOTAL	<u>\$ 54,969,795</u>	<u>100</u>	<u>\$ 69,891,504</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

HTC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)	\$ 8,550,208	100	\$ 22,205,824	100
OPERATING COST (Notes 11, 24 and 30)	<u>8,116,253</u>	<u>95</u>	<u>22,956,468</u>	<u>103</u>
GROSS PROFIT (LOSS)	433,955	5	(750,644)	(3)
UNREALIZED LOSS (GAIN)	31,956	1	(178,837)	(1)
REALIZED GAIN	<u>178,837</u>	<u>2</u>	<u>194,475</u>	<u>1</u>
REALIZED GROSS GAIN (LOSS)	<u>644,748</u>	<u>8</u>	<u>(735,006)</u>	<u>(3)</u>
OPERATING EXPENSES (Notes 24 and 30)				
Selling and marketing	1,691,524	20	2,901,809	13
General and administrative	2,862,669	33	2,886,634	13
Research and development	<u>4,493,220</u>	<u>53</u>	<u>5,914,498</u>	<u>27</u>
Total operating expenses	<u>9,047,413</u>	<u>106</u>	<u>11,702,941</u>	<u>53</u>
OPERATING LOSS	<u>(8,402,665)</u>	<u>(98)</u>	<u>(12,437,947)</u>	<u>(56)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 24)	923,784	11	926,592	4
Other gains and losses (Notes 12, 14, 17 and 24)	(459,806)	(5)	28,908,025	130
Finance costs (Note 24)	(7,249)	-	(1,912)	-
Share of the loss of subsidiaries (Note 13)	<u>(1,257,293)</u>	<u>(15)</u>	<u>(395,337)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>(800,564)</u>	<u>(9)</u>	<u>29,437,368</u>	<u>132</u>
(LOSS) PROFIT BEFORE INCOME TAX	(9,203,229)	(107)	16,999,421	76
INCOME TAX EXPENSE (Note 25)	<u>(154,849)</u>	<u>(2)</u>	<u>(4,931,219)</u>	<u>(22)</u>
(LOSS) PROFIT FOR THE YEAR	<u>(9,358,078)</u>	<u>(109)</u>	<u>12,068,202</u>	<u>54</u>

(Continued)

HTC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME AND LOSS, NET OF INCOME TAX				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	\$ 15,552	-	\$ 179,401	1
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income	(285,867)	(4)	(185,240)	(1)
Share of the comprehensive income (loss) of subsidiaries - items that will not be reclassified to profit or loss	318,113	4	(671,867)	(3)
Income tax relating to items that will not be reclassified to profit or loss (Note 25)	<u>(1,866)</u>	<u>-</u>	<u>(21,529)</u>	<u>-</u>
	<u>45,932</u>	<u>-</u>	<u>(699,235)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	<u>(686,838)</u>	<u>(8)</u>	<u>131,129</u>	<u>1</u>
Other comprehensive loss for the year, net of income tax	<u>(640,906)</u>	<u>(8)</u>	<u>(568,106)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (9,998,984)</u>	<u>(117)</u>	<u>\$ 11,500,096</u>	<u>52</u>
(LOSS) EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ (11.43)</u>		<u>\$ 14.72</u>	
Diluted	<u>\$ (11.43)</u>		<u>\$ 14.50</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

HTC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	Share Capital				Retain Earnings			Other Equity				Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Unrealized Losses on Available-for-sale Financial Assets	Employee Benefit	Unearned Benefit		
BALANCE, JANUARY 1, 2018	\$ 8,208,261	\$ 15,551,491	\$ 18,297,655	\$ -	\$ (6,093,403)	\$ (2,183,148)	\$ -	\$ (35,690)	\$ (49,590)	\$ 33,695,576		
Effect of retrospective application of accounting standards	-	-	-	-	104,732	-	(171,354)	35,690	-	(30,932)		
BALANCE, JANUARY 1, 2018 AS RESTATED	8,208,261	15,551,491	18,297,655	-	(5,988,671)	(2,183,148)	(171,354)	-	(49,590)	33,664,644		
Net profit for the year ended December 31, 2018	-	-	-	-	12,068,202	-	-	-	-	12,068,202		
Other comprehensive income and loss for the year ended December 31, 2018	-	-	-	-	157,872	131,129	(857,107)	-	-	(568,106)		
Changes in capital surplus from investments in associates accounted for using the equity method	-	60,873	-	-	-	-	-	-	-	60,873		
Issuance of shares from exercise of employee share options	1,490	6,631	-	-	-	-	-	-	-	8,121		
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(43,066)	-	-	-	-	(43,066)		
Share-based payments	(21,616)	(42,727)	-	-	-	-	-	-	42,513	(21,830)		
BALANCE, DECEMBER 31, 2018	8,188,135	15,576,268	18,297,655	-	6,194,337	(2,052,019)	(1,028,461)	-	(7,077)	45,168,838		
Appropriation of 2018 earnings	-	-	597,481	-	(597,481)	-	-	-	-	-		
Legal reserve	-	-	597,481	3,080,480	(3,080,480)	-	-	-	-	-		
Special reserve	-	-	-	-	(311,148)	-	-	-	-	(311,148)		
Cash dividends	-	-	-	-	-	-	-	-	-	-		
Net loss for the year ended December 31, 2019	-	-	-	-	(9,358,078)	-	-	-	-	(9,358,078)		
Other comprehensive income and loss for the year ended December 31, 2019	-	-	-	-	13,686	(686,838)	32,246	-	-	(640,906)		
Changes in capital surplus from investments in associates accounted for using the equity method	-	(34,121)	-	-	(21,702)	-	-	-	-	(55,823)		
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(8,760)	-	-	-	-	(8,760)		
Share-based payments	(49)	52,612	-	-	-	-	-	-	7,077	59,647		
BALANCE, DECEMBER 31, 2019	\$ 8,188,086	\$ 15,594,766	\$ 18,895,136	\$ 3,080,480	\$ (7,169,626)	\$ (2,738,857)	\$ (996,215)	\$ -	\$ -	\$ 34,853,770		

The accompanying notes are an integral part of the financial statements.

HTC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (9,203,229)	\$ 16,999,421
Adjustments for:		
Depreciation expenses	486,823	444,813
Amortization expenses	13,069	59,143
Expected credit (reversed gain) loss recognized on trade receivables	(30,000)	82,964
Finance costs	7,249	1,912
Interests income	(166,541)	(304,487)
Compensation costs of employee share-based payments (reversed)	53,003	(20,812)
Share of the loss of subsidiaries	1,257,293	395,337
Net gain on disposal of property, plant and equipment	(83,963)	(162,272)
Net gain on disposal of assets and licensing income (Note 24)	-	(31,285,385)
Net gain on disposal of subsidiary	-	(15,396)
Impairment loss on non-financial assets	242,709	3,226,337
Unrealized (loss) gain on sales	(31,956)	178,837
Realized gain on sales	(178,837)	(194,475)
Gain from lease modification	(441)	-
Changes in operating assets and liabilities		
Decrease (increase) in financial assets mandatorily classified as at fair value through profit or loss	51,955	(11,240)
(Increase) decrease in trade receivables	(83,997)	1,088,719
Decrease in trade receivables - related parties	270,786	568,362
Decrease (increase) in other receivables	14,088	(34,966)
Decrease in inventories	865,487	2,915,139
Decrease in prepayments	264,992	499,169
Decrease in other current assets	566	132,535
Decrease (increase) in other non-current assets	15,399	(126,535)
Decrease in note and trade payables	(1,724,060)	(3,174,517)
Decrease in other payables	(1,949,708)	(2,370,891)
Decrease in provisions	(426,917)	(1,321,954)
(Decrease) increase in other current liabilities	<u>(379,898)</u>	<u>161,511</u>
Cash used in operations	(10,716,128)	(12,268,731)
Interest received	175,022	290,543
Interest paid	(7,249)	(1,912)
Income tax return	<u>24,827</u>	<u>95,122</u>
Net cash used in operating activities	<u>(10,523,528)</u>	<u>(11,884,978)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow on disposal of subsidiary	-	410,857
Payments for property, plant and equipment	(96,740)	(542,923)
Proceeds from disposal of property, plant and equipment	101,982	250,199
Increase in refundable deposits	-	(1,631)
Decrease in refundable deposits	11,293	-
Payments for intangible assets	(6,536)	(29,384)

(Continued)

HTC CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Proceeds from disposal of intangible assets	\$ 5,048	\$ -
Increase in other financial assets	-	(10,647,082)
Decrease in other financial assets	8,858,883	-
Proceeds from disposal of assets and licensing income (Note 24)	<u>-</u>	<u>31,285,385</u>
Net cash generated from investing activities	<u>8,873,930</u>	<u>20,725,421</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	13,763	121,788
Repayment of the principal portion of lease liabilities	(17,116)	-
Dividends paid to owners of the Company	(311,148)	-
Proceeds from exercise of employee share options	-	8,121
Net cash outflow on acquisition of subsidiaries	(1,028,704)	(1,257,159)
Capital reduction of subsidiaries	<u>-</u>	<u>267,131</u>
Net cash used in financing activities	<u>(1,343,205)</u>	<u>(860,119)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,992,803)	7,980,324
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>13,445,203</u>	<u>5,464,879</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 10,452,400</u>	<u>\$ 13,445,203</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

Supplement 4

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
HTC Corporation

Opinion

We have audited the accompanying consolidated financial statements of HTC Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of HTC Corporation and its subsidiaries as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of Taiwan, the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan, the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of HTC Corporation and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of Taiwan, the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the consolidated financial statements for the year ended December 31, 2019 are as follows:

Revenue Recognition

According to the accounting policy stated in Note 4, revenue from the sale of goods is recognized when the control and risks are transferred to the buyers. The revenue recognition turns to be difficult as the conditions of part of the customers, which account for 26% of HTC Corporation and its subsidiaries' consolidated operating revenues are more complicated than those applied to the general sale transactions. Because of the significance of sales revenue, revenue recognition was deemed to be a key audit matter.

We have obtained understanding and have verified the accounting policy and the design and implementation of internal controls with respect to HTC Corporation and its subsidiaries' revenue recognition. We checked the compliance with the accounting policy on revenue recognition by reviewing the relevant contracts. For ensuring HTC Corporation and its subsidiaries' compliance with IFRS 15, samples from the recognized revenue have been selected to test if the conditions of revenue recognition were met.

Other Matters

We have also audited the parent company only financial statements of HTC Corporation as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of Taiwan, the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing HTC Corporation and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate HTC Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing HTC Corporation and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in Taiwan, the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in Taiwan, the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HTC Corporation and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on HTC Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause HTC Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within HTC Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wen-Yea, Shyu and Kwan-Chung, Lai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 2, 2020

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in Taiwan, the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in Taiwan, the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in Taiwan, the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail. Also, as stated in Note 4 to the consolidated financial statements, the additional footnote disclosures that are not required under accounting principles and practices generally applied in Taiwan, the Republic of China were not translated into English.

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 28,143,761	53	\$ 24,449,548	36
Financial assets at fair value through profit or loss - current (Notes 7 and 31)	69,055	-	83,411	-
Financial assets at fair value through other comprehensive income - current (Notes 8 and 31)	1,069,433	2	409,412	1
Trade receivables, net (Notes 10 and 32)	422,378	1	1,683,150	3
Other receivables (Note 10)	108,823	-	221,707	-
Current tax assets (Note 26)	231,198	1	222,387	-
Inventories (Note 11)	2,359,780	5	3,301,645	5
Prepayments (Note 12)	425,332	1	1,160,299	2
Other current financial assets (Notes 9 and 33)	2,837,350	5	16,915,835	25
Other current assets	1,643	-	12,812	-
Total current assets	<u>35,668,753</u>	<u>68</u>	<u>48,460,206</u>	<u>72</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 7 and 31)	361,307	1	236,464	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8, 31 and 32)	1,665,744	3	2,325,020	3
Investments accounted for using equity method (Note 14)	477,956	1	446,133	1
Property, plant and equipment (Notes 15 and 32)	7,888,181	15	8,425,886	13
Right-of-use assets (Note 16)	311,581	1	-	-
Investment properties, net (Note 17)	2,068,531	4	2,090,226	3
Intangible assets (Note 18)	108,877	-	1,181,256	2
Deferred tax assets (Note 26)	3,604,075	7	3,957,060	6
Refundable deposits	110,525	-	124,962	-
Net defined benefit asset - non-current (Note 22)	289,464	-	270,358	-
Other non-current financial assets (Notes 9 and 33)	150,505	-	153,638	-
Other non-current assets (Note 12)	29,328	-	39,610	-
Total non-current assets	<u>17,066,074</u>	<u>32</u>	<u>19,250,613</u>	<u>28</u>
TOTAL	<u>\$ 52,734,827</u>	<u>100</u>	<u>\$ 67,710,819</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 7 and 31)	\$ 119,755	-	\$ 82,156	-
Note and trade payables (Notes 19 and 32)	6,888,171	13	9,812,847	15
Other payables (Notes 20 and 32)	7,215,158	14	9,223,293	14
Current tax liabilities (Note 26)	150,381	-	241,167	-
Provisions - current (Note 21)	1,794,236	4	2,004,190	3
Lease liabilities - current (Notes 16 and 32)	102,784	-	-	-
Other current liabilities (Note 20)	1,005,586	2	953,447	1
Total current liabilities	<u>17,276,071</u>	<u>33</u>	<u>22,317,100</u>	<u>33</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 26)	70,674	-	43,451	-
Lease liabilities - non-current (Notes 16 and 32)	225,930	1	-	-
Guarantee deposits received (Note 31)	164,869	-	130,400	-
Total non-current liabilities	<u>461,473</u>	<u>1</u>	<u>173,851</u>	<u>-</u>
Total liabilities	<u>17,737,544</u>	<u>34</u>	<u>22,490,951</u>	<u>33</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 23)				
Share capital - ordinary shares	8,188,086	15	8,188,135	12
Capital surplus	15,594,766	30	15,576,268	23
Retained earnings				
Legal reserve	18,895,136	36	18,297,655	27
Special reserve	3,080,480	6	-	-
(Accumulated deficits) unappropriated earnings	(7,169,626)	(14)	6,194,337	9
Other equity	(3,735,072)	(7)	(3,087,557)	(4)
Total equity attributable to owners of the parent	34,853,770	66	45,168,838	67
NON-CONTROLLING INTERESTS	<u>143,513</u>	<u>-</u>	<u>51,030</u>	<u>-</u>
Total equity	<u>34,997,283</u>	<u>66</u>	<u>45,219,868</u>	<u>67</u>
TOTAL	<u>\$ 52,734,827</u>	<u>100</u>	<u>\$ 67,710,819</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 32)	\$ 10,014,966	100	\$ 23,740,610	100
OPERATING COST (Notes 11, 25 and 32)	<u>7,986,855</u>	<u>80</u>	<u>23,225,592</u>	<u>98</u>
GROSS PROFIT	<u>2,028,111</u>	<u>20</u>	<u>515,018</u>	<u>2</u>
OPERATING EXPENSES (Notes 25 and 32)				
Selling and marketing	2,719,938	27	3,820,225	16
General and administrative	3,506,120	35	3,588,587	15
Research and development	<u>5,652,309</u>	<u>56</u>	<u>7,069,819</u>	<u>30</u>
Total operating expenses	<u>11,878,367</u>	<u>118</u>	<u>14,478,631</u>	<u>61</u>
OPERATING LOSS	<u>(9,850,256)</u>	<u>(98)</u>	<u>(13,963,613)</u>	<u>(59)</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 25)	1,255,925	13	1,235,879	5
Other gains and losses (Notes 12, 14, 15, 18 and 25)	(755,161)	(8)	29,994,218	127
Finance costs (Note 25)	(19,208)	-	(1,915)	-
Share of the loss of associates (Note 14)	<u>(50,729)</u>	<u>(1)</u>	<u>(36,087)</u>	<u>-</u>
Total non-operating income and expenses	<u>430,827</u>	<u>4</u>	<u>31,192,095</u>	<u>132</u>
(LOSS) PROFIT BEFORE INCOME TAX	(9,419,429)	(94)	17,228,482	73
INCOME TAX BENEFIT (EXPENSE) (Note 26)	<u>6,359</u>	<u>-</u>	<u>(5,203,581)</u>	<u>(22)</u>
(LOSS) PROFIT FOR THE YEAR	<u>(9,413,070)</u>	<u>(94)</u>	<u>12,024,901</u>	<u>51</u>
OTHER COMPREHENSIVE INCOME AND LOSS, NET OF INCOME TAX				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	15,552	-	179,401	1
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	32,246	1	(857,107)	(4)
Income tax relating to items that will not be reclassified to profit or loss (Note 26)	<u>(1,866)</u>	<u>-</u>	<u>(21,529)</u>	<u>-</u>
	<u>45,932</u>	<u>1</u>	<u>(699,235)</u>	<u>(3)</u>

(Continued)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (693,346)	(7)	\$ 133,388	-
Other comprehensive loss for the year, net of income tax	(647,414)	(6)	(565,847)	(3)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	\$ (10,060,484)	(100)	\$ 11,459,054	48
NET (LOSS) PROFIT FOR THE YEAR ATTRIBUTABLE TO				
Owners of the parent	\$ (9,358,078)	(93)	\$ 12,068,202	51
Non-controlling interests	(54,992)	(1)	(43,301)	-
	<u>\$ (9,413,070)</u>	<u>(94)</u>	<u>\$ 12,024,901</u>	<u>51</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR ATTRIBUTABLE TO				
Owners of the parent	\$ (9,998,984)	(100)	\$ 11,500,096	48
Non-controlling interests	(61,500)	-	(41,042)	-
	<u>\$ (10,060,484)</u>	<u>(100)</u>	<u>\$ 11,459,054</u>	<u>48</u>
(LOSS) EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ (11.43)</u>		<u>\$ 14.72</u>	
Diluted	<u>\$ (11.43)</u>		<u>\$ 14.50</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Share Capital Ordinary Shares	Retained Earnings				Other Equity				Total Equity		
		Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriated Earnings	Ex change Differences on Transferring Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	Unrealized Losses on Available-for- sale Financial Assets	Unearned Employee Benefit		Total	Non-controlling Interests
BALANCE, JANUARY 1, 2018	\$ 8,208,261	\$ 15,551,491	\$ 18,297,655	\$ -	\$ (6,093,403)	\$ (2,183,148)	\$ -	\$ (35,690)	\$ (49,590)	\$ 33,695,576	\$ 29,552	\$ 33,725,128
Effect of retrospective application of accounting standards	-	-	-	-	104,732	-	(171,354)	35,690	-	(30,932)	-	(30,932)
BALANCE, JANUARY 1, 2018 AS RESTATED	8,208,261	15,551,491	18,297,655	-	(5,988,671)	(2,183,148)	(171,354)	-	(49,590)	33,664,644	29,552	33,694,196
Net profit (loss) for the year ended December 31, 2018	-	-	-	-	12,068,202	-	-	-	-	12,068,202	(43,301)	12,024,901
Other comprehensive income and loss for the year ended December 31, 2018	-	-	-	-	157,872	131,129	(857,107)	-	-	(568,106)	2,259	(565,847)
Changes in capital surplus from investments in associates accounted for using the equity method	-	60,873	-	-	-	-	-	-	-	60,873	-	60,873
Issuance of shares from exercise of employee share options	1,490	6,631	-	-	-	-	-	-	-	8,121	-	8,121
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(43,066)	-	-	-	-	(43,066)	62,520	19,454
Share-based payments	(21,616)	(45,727)	-	-	-	-	-	-	42,513	(21,830)	-	(21,830)
BALANCE, DECEMBER 31, 2018	8,188,135	15,576,268	18,297,655	-	6,194,337	(2,052,019)	(1,028,461)	-	(7,077)	45,168,838	51,030	45,219,868
Appropriation of 2018 earnings	-	-	597,481	-	(597,481)	-	-	-	-	-	-	-
Legal reserve	-	-	3,080,480	-	(3,080,480)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(311,148)	-	-	-	-	(311,148)	-	(311,148)
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	-
Net loss for the year ended December 31, 2019	-	-	-	-	(9,358,078)	-	-	-	-	(9,358,078)	(54,992)	(9,413,070)
Other comprehensive income and loss for the year ended December 31, 2019	-	-	-	-	13,686	(686,838)	32,246	-	-	(640,906)	(6,508)	(647,414)
Changes in capital surplus from investments in associates accounted for using the equity method	-	(34,121)	-	-	(21,702)	-	-	-	-	(55,823)	-	(55,823)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(8,760)	-	-	-	-	(8,760)	153,983	145,223
Share-based payments	(49)	52,619	-	-	-	-	-	-	7,077	59,647	-	59,647
BALANCE, DECEMBER 31, 2019	\$ 8,188,086	\$ 15,594,766	\$ 18,895,136	\$ 3,080,480	\$ (7,169,626)	\$ (2,738,857)	\$ (996,215)	\$ -	\$ -	\$ 34,853,770	\$ 143,513	\$ 34,997,283

The accompanying notes are an integral part of the consolidated financial statements.

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	\$ (9,419,429)	\$ 17,228,482
Adjustments for:		
Depreciation expense	720,434	575,573
Amortization expense	1,083,946	1,198,288
Expected credit (reversed gain) loss recognized on trade receivables	(30,000)	82,964
Finance costs	19,208	1,915
Interests income	(439,066)	(546,772)
Dividend income	(160)	-
Compensation cost of employee share-based payments (reversed)	59,647	(21,830)
Share of the loss of associates	50,729	36,087
Net gain on disposal of property, plant and equipment	(82,033)	(245,446)
Net gain on disposal of assets and licensing income (Note 25)	-	(31,285,385)
Net gain on disposal of non-current assets held for sale	-	(1,077,246)
Net gain on disposal of subsidiary	-	(15,396)
Impairment loss on non-financial assets	389,283	3,374,551
Gain from lease modification	(473)	-
Changes in operating assets and liabilities		
Decrease (increase) in financial assets mandatorily classified as at fair value through profit or loss	51,955	(11,240)
Decrease in trade receivables	1,290,772	6,767,396
Decrease (increase) in other receivables	20,428	(18,873)
Decrease in inventories	725,387	3,022,777
Decrease in prepayments	650,652	539,518
Decrease in other current assets	11,169	123,009
Decrease (increase) in other non-current assets	3,610	(310,074)
Decrease in note and trade payables	(2,724,676)	(4,756,375)
Decrease in other payables	(1,988,723)	(2,413,211)
Decrease in provisions	(209,954)	(1,373,011)
Increase (decrease) in other current liabilities	52,139	(520,745)
Cash used in operations	(9,765,155)	(9,645,044)
Interest received	531,522	447,435
Interest paid	(19,208)	(1,915)
Income tax refund (paid)	82,793	(296,300)
Net cash used in operating activities	<u>(9,170,048)</u>	<u>(9,495,824)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(153,254)	(161,097)
Return of investments accounted for fair value through other comprehensive income	137,736	-
Purchase of financial assets at fair value through profit or loss	(134,347)	(107,067)
Acquisition of investments accounted for using the equity method	(171,767)	-
Net cash inflow on disposal of subsidiary	-	106,918

(Continued)

HTC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Proceeds from disposal of non-current assets held of sale	\$ -	\$ 2,748,931
Payments for property, plant and equipment	(150,198)	(575,465)
Proceeds from disposal of property, plant and equipment	108,544	385,287
Decrease in advance receipts - disposal of property	-	(1,374,465)
Decrease in refundable deposits	14,437	14,054
Payments for intangible assets	(6,536)	(53,725)
Proceeds from disposal of intangible assets	5,048	-
Increase in other financial assets	-	(9,081,110)
Decrease in other financial assets	14,081,618	-
Dividend received	160	-
Proceeds from disposal of assets and licensing income (Note 25)	<u>-</u>	<u>31,285,385</u>
Net cash generated from investing activities	<u>13,731,441</u>	<u>23,187,646</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	34,469	124,719
Repayment of the principal portion of lease liabilities	(123,574)	-
Dividends paid to owners of the Company	(311,148)	-
Proceeds from exercise of employee share options	-	8,121
Change in non-controlling interests	<u>145,223</u>	<u>19,454</u>
Net cash (used in) generated from financing activities	<u>(255,030)</u>	<u>152,294</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(612,150)</u>	<u>162,205</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,694,213	14,006,321
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>24,449,548</u>	<u>10,443,227</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 28,143,761</u>	<u>\$ 24,449,548</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

Supplement 5

HTC CORPORATION

The 2019 Deficit Compensation Statement

UNIT:NT\$

Item	Amount
Accumulated earnings at beginning of 2019	2,205,229,275
Less : Net loss of 2019	(9,358,078,727)
Add : Remeasurement of defined benefit plan	13,686,144
Less : Retained earnings adjusted for investments accounted for using equity method	(30,463,199)
Add : Legal reserves used to compensate deficit	3,169,626,507
Deficit un-compensated at end of 2019	(4,000,000,000)

Chairwoman : Cher Wang

CEO : Yves Maitre

Chief Accountant : Hsiu Lai

Supplement 6

HTC Corporation

Article of Incorporation Before and After Revision

Article no.	Original article	Amended article	Notes
Article 2	<p>The scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Parts and Components Manufacturing 2. CC01101 Controlled Telecommunications Radio Frequency Equipment and Materials Manufacturing 3. CC01110 Computers and Computing Peripheral Equipment Manufacturing 4. C805050 Industrial Plastic Products Manufacturing 5. CC01120 Data Storage Media Manufacturing and Duplicating 6. E605010 Computing Equipment Installation 7. E701040 Basic Telecommunications Equipment Construction 8. E701020 Satellite Television Equipment and Materials Installation for Channels KU and C 9. E701030 Controlled Telecommunications Radio Frequency Equipment and Materials Installation and Construction 10.F113030 Wholesale of Precision Instruments 11.F113050 Wholesale of Computing and Business Machinery Equipment 12.F113070 Wholesale of Telecommunications Equipment 13.F118010 Wholesale of Computer Software 14.F119010 Wholesale of Electronics Materials 15.F213030 Retail sale of Computing and Business Machinery Equipment 16.F213040 Retail Sale of Precision Instruments 17.F213060 Retail Sale of Telecommunications Equipment 18.F218010 Retail Sale of Computer Software 19.F219010 Retail Sale of Electronics 	<p>The scope of business of the Company is as follows:</p> <ol style="list-style-type: none"> 1. CC01080 Electronic Parts and Components Manufacturing 2. CC01101 Controlled Telecommunications Radio Frequency Equipment and Materials Manufacturing 3. CC01110 Computers and Computing Peripheral Equipment Manufacturing 4. C805050 Industrial Plastic Products Manufacturing 5. CC01120 Data Storage Media Manufacturing and Duplicating 6. E605010 Computing Equipment Installation 7. E701040 Basic Telecommunications Equipment Construction 8. E701020 Satellite Television Equipment and Materials Installation for Channels KU and C 9. E701030 Controlled Telecommunications Radio Frequency Equipment and Materials Installation and Construction 10.F113030 Wholesale of Precision Instruments 11.F113050 Wholesale of Computing and Business Machinery Equipment 12.F113070 Wholesale of Telecommunications Equipment 13.F118010 Wholesale of Computer Software 14.F119010 Wholesale of Electronics Materials 15.F213030 Retail sale of Computing and Business Machinery Equipment 16.F213040 Retail Sale of Precision Instruments 17.F213060 Retail Sale of Telecommunications Equipment 18.F218010 Retail Sale of Computer Software 19.F219010 Retail Sale of Electronics 	<p>Business scope expanded in accordance with the Company's operational needs.</p>

HTC Corporation

Article of Incorporation Before and After Revision

Article no.	Original article	Amended article	Notes
	<p>Materials</p> <p>20.F401010 International Trade.</p> <p>21.F401021 Controlled Telecommunications Radio Frequency Equipment and Materials Import</p> <p>22.G801010 Warehousing and Storage</p> <p>23.I301010 Software Design Services</p> <p>24.I301020 Data Processing Services</p> <p>25.I301030 Digital Information Supply Services</p> <p>26.F399040 Retail Business Without Shop</p> <p>27.CF01011 Medical Materials and Equipment Manufacturing</p> <p>28.F108031 Wholesale of Drugs, Medical Goods</p> <p>29.F208031 Retail sale of Medical Equipments</p> <p>30.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Materials</p> <p>20.F401010 International Trade</p> <p>21.F401021 Controlled Telecommunications Radio Frequency Equipment and Materials Import</p> <p>22.G801010 Warehousing and Storage</p> <p>23.I301010 Software Design Services</p> <p>24.I301020 Data Processing Services</p> <p>25.I301030 Digital Information Supply Services</p> <p>26.F399040 Retail Business Without Shop</p> <p>27.CF01011 Medical Materials and Equipment Manufacturing</p> <p>28.F108031 Wholesale of Drugs, Medical Goods</p> <p>29.F208031 Retail sale of Medical Equipments</p> <p><u>30.JE01010 Rental and Leasing Business</u></p> <p><u>31.JI01010 Interactive Scenario Experience Services</u></p> <p><u>32.I301050 Reality Technology Services</u></p> <p><u>33.I305010 Audio Tape and Record Publishers</u></p> <p><u>34.J401010 Motion Picture Production</u></p> <p><u>35.J402010 Motion Picture Distribution</u></p> <p><u>36.J403010 Motion Picture Projection</u></p> <p><u>37.J404010 Cartoons Motion Picture Production</u></p> <p><u>38.J503020 Television Production</u></p> <p><u>39.J503030 Broadcasting and Television Program Distribution</u></p> <p>40.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	

HTC Corporation

Article of Incorporation Before and After Revision

Article no.	Original article	Amended article	Notes
Article 13-1	There shall be at least <u>two</u> independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the directors seats. The relevant regulations of the competent securities authority shall be followed regarding the professional qualifications, shareholding, moonlighting restrictions, nomination and election, and other compliance requirements regarding independent directors.	There shall be at least <u>three</u> independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the directors seats. The relevant regulations of the competent securities authority shall be followed regarding the professional qualifications, shareholding, moonlighting restrictions, nomination and election, and other compliance requirements regarding independent directors. <u>The Company shall establish an audit committee which shall be composed of the entire number of independent directors. The exercise of power by the audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.</u>	Amended in accordance with the Securities and Exchange Act and relevant laws and regulations.
Article 21	Any matters insufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.	Any matters insufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act <u>and the Securities and Exchange Act.</u>	Amended in accordance with the Securities and Exchange Act and relevant laws and regulations.
Article 22	(Omitted)	Add ' <u>The 24th amendment was made on 19 June 2020.</u> '	Add the date of amendment in this Article.

Supplement 7

HTC Corporation

Rules of Procedure for Shareholders Meetings Before and After Revision

Original article	Amended article
<p>Article 1</p> <p>The proceedings of shareholders meetings of the Corporation shall be conducted in accordance with these Rules of Procedure. Matters on which these Rules of Procedure are silent shall be handled in accordance with applicable laws and regulations.</p>	<p>Article 1</p> <p>The proceedings of shareholders meetings of the Corporation shall be conducted in accordance with these Rules of Procedure. Matters on which these Rules of Procedure are silent shall be handled in accordance with applicable laws and regulations <u>and the Corporation's Articles of Incorporation.</u></p>
<p>(New)</p>	<p><u>Article 1-1</u></p> <p><u>Unless otherwise provided by law or regulation, the Corporation's shareholders meetings shall be convened by the Board of Directors.</u></p> <p><u>Election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application of ceasing public company status, wavier of director's non-compete obligation, recapitalization of earnings and capital surplus, dissolution, merger, or spin-off of the Corporation, or any matter under Article 185 Paragraph 1 of the Company Act shall be set out in the notice of the reasons for convening the shareholders meeting with their major contents explained. None of the above matters may be raised by an extraordinary motion. The major contents thereof may be displayed at websites designated by the competent authority or the Corporation, and the URL thereof shall be included in the notice of the reasons for convening the shareholders meeting.</u></p> <p><u>Where the notice of the reasons for convening the shareholders meeting already states the re-election of all directors and the date on which their term shall start, after the re-election is completed, the starting date of</u></p>

HTC Corporation

Rules of Procedure for Shareholders Meetings Before and After Revision

Original article	Amended article
	<p><u>the newly elected directors' term shall not be changed by extraordinary motion or other means at the same meeting.</u></p> <p><u>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. However, if the proposal is to urge the Corporation to promote public interests or fulfill its social responsibility, the Board of Directors may still include such proposal into the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1 Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</u></p> <p><u>Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, the means of receiving in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</u></p> <p><u>Shareholder proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results.</u></p>

HTC Corporation

Rules of Procedure for Shareholders Meetings Before and After Revision

Original article	Amended article
	<p><u>and shall list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</u></p>
<p>Article 2 Shareholders who attend a shareholders meeting shall hand in an attendance card at the meeting in lieu of signing in. The number of shares in attendance shall be calculated based on the number of attendance cards that are handed in.</p>	<p>Article 2 Shareholders who attend a shareholders meeting shall hand in an attendance card at the meeting in lieu of signing in. The number of shares in attendance shall be calculated based on the number of attendance cards that are handed in. <u>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</u></p>
<p>Article 3 The venue for the shareholders meeting shall be the location of the Corporation, or a place convenient for shareholders to attend and suited to convening a shareholders meeting. The time at which the meeting begins may not be earlier than 9 a.m. or later than 3 p.m.</p>	<p>Article 3 The venue for the shareholders meeting shall be the location of the Corporation, or a place convenient for shareholders to attend and suited to convening a shareholders meeting. The time at which the meeting begins may not be earlier than 9 a.m. or later than 3 p.m. <u>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u></p>
<p>Article 4 The chair shall call the meeting to order at the appointed meeting time. However, when the shareholders in attendance do not represent a majority of the total number of issued shares, the chair may announce the postponement of the meeting time; no more than two such postponements, for a combined total of not more than one hour, may be made. If the quorum is not met after two postponements and</p>	<p>Article 4 The chair shall call the meeting to order at the appointed meeting time. However, when the shareholders in attendance do not represent a majority of the total number of issued shares, the chair may announce the postponement of the meeting time; no more than two such postponements, for a combined total of not more than one hour, may be made. <u>If the quorum is not met after two postponements</u></p>

HTC Corporation

Rules of Procedure for Shareholders Meetings Before and After Revision

Original article	Amended article
<p>the shareholders in attendance represent one third or more of the total number of issued shares, a tentative resolution may be approved pursuant to the Company Act. The execution of a tentative resolution referred to in this paragraph shall be handled in accordance with the applicable provisions of the Company Act. When the number of shares represented by the shareholders in attendance reaches the <u>statutory number</u> before the end of the meeting, the chair may resubmit the tentative resolution for a vote by the meeting in accordance with <u>the provisions</u> of the Company Act.</p>	<p><u>and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</u> If the quorum is not met after two postponements <u>but</u> the shareholders in attendance represent one third or more of the total number of issued shares, a tentative resolution may be approved pursuant to <u>Article 175 Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</u> The execution of a tentative resolution referred to in this paragraph shall be handled in accordance with the applicable provisions of the Company Act.</p> <p>When the number of shares represented by the shareholders in attendance reaches the <u>half of the total number of issued shares</u> before the end of the <u>shareholders</u> meeting, the chair may resubmit the tentative resolution for a vote by the meeting in accordance with <u>Article 174</u> of the Company Act.</p>
<p>Article 9 Before speaking, shareholders in attendance must record the main points of their speech, their attendance number (or shareholder account number) and account name on a speaker's slip. The order in which they speak will be set by the chair. A shareholder in attendance who submits a speaker's slip but does not speak shall be deemed to have not spoken. Where the content of the speech and that recorded on the speaker's slip do not correspond, the spoken content shall prevail. When a shareholder in attendance is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the permission of the chair and the shareholder that has the floor; the chair shall stop any violation. A shareholder may not speak more</p>	<p>Article 9 Before speaking, shareholders in attendance must record the main points of their speech, their attendance number (or shareholder account number) and account name on a speaker's slip. The order in which they speak will be set by the chair. A shareholder in attendance who submits a speaker's slip but does not speak shall be deemed to have not spoken. Where the content of the speech and that recorded on the speaker's slip do not correspond, the spoken content shall prevail. When a shareholder in attendance is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the permission of the chair and the shareholder that has the floor; the chair shall stop any violation.</p>

HTC Corporation

Rules of Procedure for Shareholders Meetings Before and After Revision

Original article	Amended article
<p>than twice on the same proposal, and a single speech may not exceed five minutes, provided that with the chair's permission, these restrictions shall not apply. If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.</p>	<p>A shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes, provided that with the chair's permission, these restrictions shall not apply. If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech. <u>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</u></p>
<p>Article 10 When a proposal is under discussion, the chair may at an appropriate time declare the discussion closed, and when necessary, may also suspend discussion and speeches.</p>	<p>Article 10 When a proposal is under discussion, the chair may at an appropriate time declare the discussion closed, and when necessary, may also suspend discussion and speeches. <u>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</u></p>
<p>Article 11 The chair shall appoint scrutineers and ballot counters for votes on proposals; however, the scrutineers shall be shareholders. The results of the vote shall be made known immediately and recorded in writing.</p>	<p>Article 11 The chair shall appoint scrutineers and ballot counters for votes on proposals; however, the scrutineers shall be shareholders. The results of the vote shall be made known immediately and recorded in writing. <u>The records shall be retained for the duration of the existence of this Corporation.</u></p>
<p>Article 13 The corporation shall document the proceedings of a shareholders meeting in their entirety via</p>	<p>Article 13 The Corporation shall document the proceedings of a shareholders meeting in their</p>

HTC Corporation

Rules of Procedure for Shareholders Meetings Before and After Revision

Original article	Amended article
audio or video, and preserve such documentation for at least one year.	entirety via audio or video, and preserve such documentation for at least one year. <u>If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u>
<p>Article 14</p> <p>Except for special resolutions as specified <u>in the Company Act and the Articles of Incorporation</u> that shall comply with the provisions therein, passage of a vote on a proposal shall require the consent of a majority of the voting rights of shareholders in attendance. <u>If before a vote a non-ballot voting method is adopted and upon inquiry by the chair there is no objection, it is deemed passed, and its effectiveness shall be the same as a vote by ballot.</u></p>	<p>Article 14</p> <p>Except for special resolutions as specified <u>by laws, regulations or</u> the Articles of Incorporation <u>of the Corporation</u> that shall comply with the provisions therein, passage of a vote on a proposal shall require the consent of a majority of the voting rights of shareholders in attendance.</p>
<p>Article 16</p> <p>The chair may direct the sergeant-at-arms (or security personnel) to help maintain order at the meeting place. When the sergeant-at-arms (or security personnel) help maintain order at the meeting place, they shall wear an arm band bearing the words "sergeant-at-arms".</p>	<p>Article 16</p> <p>The chair may direct the sergeant-at-arms (or security personnel) to help maintain order at the meeting place. When the sergeant-at-arms (or security personnel) help maintain order at the meeting place, they shall wear an arm band bearing the words "sergeant-at-arms". <u>When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the sergeant-at-arms (or security personnel) to escort the shareholder from the meeting.</u></p>
<p>Article 17</p> <p><u>Matters on which these Rules of Procedure are silent shall be handled in accordance with the Company Act and the Article of Incorporation of the Corporation.</u></p>	<p>Article 17</p> <p>(Deleted)</p>

Appendix 1

HTC Corporation

Rules of Procedure for Shareholders Meetings

Article 1

The proceedings of shareholders meetings of the Corporation shall be conducted in accordance with these Rules of Procedure. Matters on which these Rules of Procedure are silent shall be handled in accordance with applicable laws and regulations.

Article 2

Shareholders who attend a shareholders meeting shall hand in an attendance card at the meeting in lieu of signing in. The number of shares in attendance shall be calculated based on the number of attendance cards that are handed in.

Article 3

The venue for the shareholders meeting shall be the location of the Corporation, or a place convenient for shareholders to attend and suited to convening a shareholders meeting. The time at which the meeting begins may not be earlier than 9 a.m. or later than 3 p.m.

Article 4

The chair shall call the meeting to order at the appointed meeting time. However, when the shareholders in attendance do not represent a majority of the total number of issued shares, the chair may announce the postponement of the meeting time; no more than two such postponements, for a combined total of not more than one hour, may be made. If the quorum is not met after two postponements and the shareholders in attendance represent one third or more of the total number of issued shares, a tentative resolution may be approved pursuant to the Company Act. The execution of a tentative resolution referred to in this paragraph shall be handled in accordance with the applicable provisions of the Company Act.

When the number of shares represented by the shareholders in attendance reaches the statutory number before the end of the meeting, the chair may resubmit the tentative resolution for a vote by the meeting in accordance with the provisions of the Company Act.

Article 5

If a shareholders meeting is convened by the board of directors, the chairman of the board shall chair the meeting. If the chairman of the board is unable to exercise powers for some reason, the chairman may designate one director to do so on the chairman's behalf. If the chairman does not designate a representative, the directors shall mutually select a chair from among themselves. If a shareholders meeting is convened by a party with convening power other than the board of directors, the convening party shall chair that meeting. When two or more parties meet this description, they shall mutually select a chair from among themselves.

Article 6

The Corporation may appoint retained attorneys or certified public accountants, or relevant

personnel, to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 7

If a shareholders meeting is convened by the board of directors, the board of directors shall adopt the shareholders meeting agenda, compile and print a meeting agenda book, and distribute it to the attending shareholders or proxies. The meeting proceedings shall follow the order set in the agenda, which may not be changed without a shareholders meeting resolution.

If a shareholders meeting is convened by a party with convening power other than the board of directors, the provisions of the preceding paragraph shall apply mutatis mutandis.

Unless by resolution of the meeting, the chair may not declare the meeting closed before all of the items (including extraordinary motions) on the meeting agenda have been concluded. After the meeting is closed, shareholders may not separately elect a chair and resume the meeting at the original or another venue.

Article 8

Shareholders in attendance have the duty to comply with the meeting rules of procedure, abide by resolutions, and maintain order in the meeting place.

Article 9

Before speaking, shareholders in attendance must record the main points of their speech, their attendance number (or shareholder account number) and account name on a speaker's slip. The order in which they speak will be set by the chair. A shareholder in attendance who submits a speaker's slip but does not speak shall be deemed to have not spoken. Where the content of the speech and that recorded on the speaker's slip do not correspond, the spoken content shall prevail. When a shareholder in attendance is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the permission of the chair and the shareholder that has the floor; the chair shall stop any violation. A shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes, provided that with the chair's permission, these restrictions shall not apply.

If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 10

When a proposal is under discussion, the chair may at an appropriate time declare the discussion closed, and when necessary, may also suspend discussion and speeches.

Article 11

The chair shall appoint scrutineers and ballot counters for votes on proposals; however, the scrutineers shall be shareholders. The results of the vote shall be made known immediately and recorded in writing.

Article 12

During a shareholders meeting, if the chair declares the meeting closed in violation of the meeting

rules of procedure, one person may be elected as chair with the agreement of a majority of the shareholder voting rights in attendance, and the meeting may continue.

Article 13

The corporation shall document the proceedings of a shareholders meeting in their entirety via audio or video, and preserve such documentation for at least one year.

Article 14

Except for special resolutions as specified in the Company Act and the Articles of Incorporation that shall comply with the provisions therein, passage of a vote on a proposal shall require the consent of a majority of the voting rights of shareholders in attendance. If before a vote a non-ballot voting method is adopted and upon inquiry by the chair there is no objection, it is deemed passed, and its effectiveness shall be the same as a vote by ballot.

Article 15

While a meeting is in progress, the chair may consider the time schedule and announce a break. If a force majeure event occurs, the chair may rule for a temporary suspension of the meeting, and announce the time when the meeting will be reconvened depending on the circumstances, or the shareholders meeting may make a resolution to reconvene the meeting within five days without notification or public announcement.

Article 16

The chair may direct the sergeant-at-arms (or security personnel) to help maintain order at the meeting place. When the sergeant-at-arms (or security personnel) help maintain order at the meeting place, they shall wear an arm band bearing the words "sergeant-at-arms".

Article 17

Matters on which these Rules of Procedure are silent shall be handled in accordance with the Company Act and the Article of Incorporation of the Corporation.

Article 18

These Rules of Procedure, and any amendments hereto, shall be implemented after being adopted as a resolution by the board of directors and passed by a shareholders meeting.

Appendix 2

HTC Corporation

Articles of Incorporation

Chapter I General Provisions

Article 1

This Company, organized under the Company Act as a company limited by shares, shall be named HTC Corporation. (hereinafter, "the Company").

Article 2

The scope of business of the Company is as follows:

- 1.CC01080 Electronic Parts and Components Manufacturing.
- 2.CC01101 Controlled Telecommunications Radio Frequency Equipment and Materials Manufacturing.
- 3.CC01110 Computers and Computing Peripheral Equipment Manufacturing.
- 4.C805050 Industrial Plastic Products Manufacturing.
- 5.CC01120 Data Storage Media Manufacturing and Duplicating.
- 6.E605010 Computing Equipment Installation.
- 7.E701040 Basic Telecommunications Equipment Construction.
- 8.E701020 Satellite Television Equipment and Materials Installation for Channels KU and C.
- 9.E701030 Controlled Telecommunications Radio Frequency Equipment and Materials Installation and Construction
- 10.F113030 Wholesale of Precision Instruments.
- 11.F113050 Wholesale of Computing and Business Machinery Equipment.
- 12.F113070 Wholesale of Telecommunications Equipment.
- 13.F118010 Wholesale of Computer Software.
- 14.F119010 Wholesale of Electronics Materials.
- 15.F213030 Retail sale of Computing and Business Machinery Equipment.
- 16.F213040 Retail Sale of Precision Instruments.
- 17.F213060 Retail Sale of Telecommunications Equipment.
- 18.F218010 Retail Sale of Computer Software.
- 19.F219010 Retail Sale of Electronics Materials.
- 20.F401010 International Trade.
- 21.F401021 Controlled Telecommunications Radio Frequency Equipment and Materials Import.
- 22.G801010 Warehousing and Storage.
- 23.I301010Software Design Services.
- 24.I301020Data Processing Services.
- 25.I301030Digital Information Supply Services.
- 26.F399040Retail Business Without Shop
- 27.CF01011Medical Materials and Equipment Manufacturing
- 28.F108031Wholesale of Drugs, Medical Goods
- 29.F208031Retail sale of Medical Equipments
- 30.ZZ99999All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2~1

The Company may act as a guarantor and may invest in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40 percent of paid-in capital set out in Article 13 of the Company Act.

Article 3

The Company is headquartered in Taoyuan City, Taiwan and when necessary may establish branches at home and abroad as resolved by the board of directors.

Article 4

Deleted.

Chapter II Shares

Article 5

The authorized capital of the Company is NT\$ 10 billion consisting of 1 billion, shares, all of common stock, with a par value of NT\$10 per share. The Board of directors is authorized to issue the shares in separate installments as required. Among these shares, 80 million shares are reserved for the holders of stock warrants, preferred shares with warrants, or corporate bonds with warrants to exercise their stock warrants.

Article 5~1

In the event that the Company becomes duly entitled to purchase back its own shares, the board of directors is authorized to do so in accordance with laws and regulations.

Article 6

Employees of parents or subsidiaries of the Company that meet certain specific requirements shall be entitled to receive treasury stocks acquired by the Company in accordance with the Company Act.

Employees of parents or subsidiaries of the Company meet certain specific requirements shall be entitled to receive employee stock option certificates.

Employees of parents or subsidiaries of the Company meet certain specific requirements shall be entitled to receive new shares issued by the Company.

Employees of parents or subsidiaries of the Company meet certain specific requirements shall be entitled to receive restricted Stock Awards.

Qualification of employees in preceding four paragraph shall be determined by the Board of Directors.

Article 7

The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of the directors who are authorized to represent the company, and authenticated by the competent governmental authority or a registration institution authorized thereby before issuance.

Shares issued by the Company need not be in certificate form, but shall be registered with a securities depository enterprise.

Article 8

All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Chapter III Shareholders Meeting

Article 9

Shareholders meetings of the Company are of two kinds: ordinary shareholders meetings and extraordinary shareholders meetings. The ordinary shareholders meeting is called once per year within six months from the close of the fiscal year. Extraordinary shareholders meetings may be

called in accordance with applicable laws and regulations whenever necessary.

Article 10

For any shareholders meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy. Shareholder attendance by proxy shall be subject to the Company Act and also to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by the competent authority.

Article 11

Each shareholder of the Company is entitled to one vote per share, except under circumstances in which shares have no voting power as set out in the applicable regulations.

Article 12

Unless otherwise provided by applicable law or regulation, a resolution of the shareholders meeting shall be adopted by consent of a majority of the votes represented by those in attendance at a meeting attended, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Chapter IV Directors

Article 13

The Company shall have five to nine directors. The directors shall be elected by a candidate nomination system. They shall be elected by the shareholders meeting from among the slate of director candidates. The term of office is three years, and they may continue in office if re-elected. The aggregate shareholding percentages of the entire bodies of directors shall comply with the regulations prescribed by the securities supervisory authorities.

Article 13-1

There shall be at least two independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the directors seats. The relevant regulations of the competent securities authority shall be followed regarding the professional qualifications, shareholding, moonlighting restrictions, nomination and election, and other compliance requirements regarding independent directors.

Article 14

The board of directors shall consist of the directors of the company, and the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters.

Directors shall attend meetings of the board of directors in the preceding paragraph in person. In the event that a board of directors meeting is held through video conference, a director who participates in the meeting by means of video system shall be deemed to have attended in person. If a director is unavailable to attend a meeting in person, the director may issue a power of attorney for the given meeting specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

Article 14-1

Each director shall be given at least 7 days advance notice of the convening of a board of directors meeting of the Company. In emergency circumstances, however, a meeting may be called on shorter

notice.

The meeting notice referred to in the preceding paragraph shall specify the reasons for convening the meeting, and shall be made in writing, by e-mail, or by facsimile.

Article 15

If the chairman of the board of directors is on leave or cannot exercise powers or perform duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act.

Article 16

When the Company's directors perform Company duties, the Company may pay remuneration regardless of whether the Company operates at a profit or loss. The board of directors is authorized with powers to resolve the rates of such remuneration based on the extent of their participation in the Company's business operations or value of their contribution, at a level consistent with general practices in the industry. If the Company operates at a profit, they also may allocate remuneration in accordance with Article 19.

The company may acquire liability insurance for all directors, within the scope of the indemnity liability they bear under law in connection with their business responsibilities, throughout their term to minimize and disperse the risk of material loss or damage to the company and shareholders as a consequence of any illegal act .

Chapter V Managerial Officers

Article 17

The Company may have managerial officers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 18

At the end of each fiscal year, the board of directors shall prepare the following documents, which shall submitted to the shareholders' meeting for approval as required by law:

1. Business report;
2. Financial report;
3. Proposal for allocating profit or covering loss.

Article 19

If the Company makes profit for the current year, Company shall have minimum of 4% of such profit distributable as employees' compensation at in the form of stock or in cash as resolved by the board of directors. Employees of parents or subsidiaries of the Company meeting certain specific requirements shall also be entitled to receive such stock or cash certain specific requirements will be determined by the Board of Directors. Board of directors may resolve to distribute up to maximum of 0.25% of the profit of current year mentioned in preceding paragraph as remuneration to directors. Proposed distribution of profit as employees' compensation and remuneration to directors shall be presented at shareholders' meeting.

If the company has accumulated loss, the profit shall first be used to offset the loss. The remainder of the profit may then be distributed as employees' compensation and remuneration to directors based on preceding proposed ratios.

Article 20

If the Company has earnings after the annual final accounting, it shall be allocated in the following order:

1. To pay taxes.
2. To cover accumulated losses, if any.

3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital.
4. To recognize or reverse special reserve return earnings.
5. The board of directors shall propose allocation ratios for any remainder profit after withholding the amounts under subparagraphs 1 to 4 above plus any unappropriated retained earnings of previous years based on the dividend policy set forth in paragraph 2 of this Article and propose such allocation ratio at the shareholders' meeting.

Because the Company is a technology and capital-intensive enterprise in its growing phase, the Company sets a policy to allocate dividends with consideration to factors such as the Company's current and future investment climate, demand for working capital, competitive environment at home and globally, capital budget, as well as the interests of the shareholders, balanced dividends, and long-term financial planning of the Company. Every year, the board of directors shall propose the allocation ratio and propose it at the shareholders' meeting. The earnings may be allocated in cash dividends or stock dividends, provided that the ratio of cash dividends may not be less than 50% of the total dividends.

Chapter Seven Bylaws

Article 21

Any matters insufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article 22

These Articles of Incorporation were adopted on 10 May 1997.

The first amendment was made on 1 July 1997.

The second amendment was made on 26 February 1998.

The third amendment was made on 8 May 1998.

The fourth amendment was made on 22 October 1998.

The fifth amendment was made on 24 April 2000.

The sixth amendment was made on 23 April 2001.

The seventh amendment was made on 13 July 2001.

The eighth amendment was made on 14 March 2002.

The ninth amendment was made on 26 June 2003.

The 10th amendment was made on 16 June 2004.

The 11th amendment was made on 13 June 2005.

The 12th amendment was made on 2 May 2006.

The 13th amendment was made on 20 June 2007.

The 14th amendment was made on 13 June 2008.

The 15th amendment was made on 19 June 2009.

The 16th amendment was made on 18 June 2010.

The 17th amendment was made on 15 June 2011.

The 18th amendment was made on 21 June 2013.

The 19th amendment was made on 19 June 2014.

The 20th amendment was made on 2 June 2015.

The 21st amendment was made on 24 June 2016.

The 22nd amendment was made on 26 June 2018.

The 23rd amendment was made on 21 June 2019.

HTC CORPORATION

Chairwoman: Cher Wang

Appendix 3

HTC CORPORATION

Shareholding of all Directors and Minimum Required Shareholding

1. Company's current Directors' shareholding are as follows:

Total common shares outstanding 818,804,335 shares

Minimum Required Shareholding by all Directors 26,201,738 shares

- 2.

Record Date: April 21, 2020

Title	Name	Current Shareholding	Percentage
Chairperson	Cher Wang	32,272,427	3.94%
Director	Wen-Chi Chen	22,391,389	2.73%
Director	HT Cho	96,530	0.01%
Director	David Bruce Yoffie	0	0.00%
Independent Director	Chen-Kuo Lin	0	0.00%
Independent Director	Josef Felder	500,000	0.06%
Independent Director	Vincent Thai	0	0.00%
Total Directors (excluding Independent Directors)		54,760,346	6.69%



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