

Taiwan's HTC stocks plunge to lowest in decade

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Taiwanese smartphone maker HTC plunged to its lowest closing share price in more than a decade Friday, a day after it posted its biggest ever quarterly loss.

Stocks dropped by the daily limit of 10 percent to Tw\$63 (\$1.99) at closing in the wake of disastrous results which prompted the firm to say it would take some models off the market as it seeks to cut costs.

Once the star of the intensely competitive smartphone sector, HTC has seen its fortunes collapse as Samsung, Apple and strong Chinese brands like Lenovo and Huawei have surged head.

HTC announced Thursday that it had swung to a deep loss of Tw\$8.0 billion (\$252.7 million) in the second quarter, from a net profit of \$2.26 billion in the same period last year.

It cited weaker-than-expected demand for its high-end products and poor sales in China.

HTC is expected to stay in the red with the company forecasting loss per share to be as much as Tw\$5.85 in the third quarter—five times worse than previous estimates, according to Bloomberg.

"HTC has begun to implement company-wide efficiency measures to reduce operating costs," the company said in a presentation Thursday.

"We are going to streamline and optimise our portfolio," HTC chief financial officer Chang Chialin said in an call with investors.

"We are going after profitability instead of volume share."

HTC on Friday declined to say whether there would be job cuts as part of the cost saving strategy.

"Details of the cost reduction exercise remain confidential," it said.

But reports said Chang had admitted Thursday there would be job losses, and Bloomberg cited him as saying there would be "a headcount reduction" in some areas.

As global market demand for smartphones declines, the company has pinned its hopes on new product areas like creating [virtual reality experiences](#), including the headset HTC Vive that's currently being put on a display tour in the United States and Europe.

HTC is working with more than 1,000 developers on a range of applications spanning gaming, entertainment and education, it said Thursday.

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