

Coretronic Corporation

2012 Annual General Shareholder Meeting Minutes

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Time : 9:00 a.m., June 12(Tuesday), 2012.

Place : No. 2, Ke Bei 5th Rd., Science Park, Chu-Nan, Miao-Li County (Chunan Science Park)

Attendants: Total outstanding shares: 724,038,518 shares, total shares represented by shareholders present in person or by proxy: 435,109,185 shares. Percentage of shares held by shareholders present in person or by proxy: 60.09%. The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

I. Chairman's Address (omitted)

II. Report Items

1. 2011 Annual Business Report (attached as Attachment 1).
2. Audit Committee's Report (attached as Attachment 2).
3. The Execution of Issuance of New Shares and/or Issuance of Overseas Depositary Receipts (refer to the handbook)
4. The Execution of Treasury Stock (refer to the handbook).

The above report items were acknowledged.

III. Ratification Items

1. Ratification of 2011 Business Report and Financial Statements. (Proposed by the Board of Directors)

Description:

- (1) The 2011 balance sheet, income statement, statement of changes in shareholders' equity and cash flow statement of the Company audited by Ernst & Young and had issued its review report accordingly.
- (2) Please refer to attachment 1 and 3 for 2011 Business Report and financial statements.
- (3) Please resolve.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

2. Ratification of the Proposal for the Distribution of 2010 Earnings. (Proposed by the Board of Directors)

Description:

- (1) The 2011 balance sheet, income statement, statement of changes in shareholders' equity and cash flow statement of the Company audited by Ernst & Young and had issued its review report accordingly.
- (2) Record date for paying cash dividend: Upon the approval of the shareholders meeting, it is proposed to authorize the chairman of BOD to determine the ex-dividend date.

(3)The total amount of common shares outstanding may change and the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly should Coretronic subsequently repurchase its common shares or issue new common shares to its employees as a result of their exercise of stock options. It is proposed that the Chairman of BOD be authorized to adjust the cash dividend to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

(4) Please resolve.

Coretronic Corporation
2011's Earnings Distribution Chart

Unit : NTD

Item	Amount	
	Subtotal	Total
Beginning of Unappropriated Earnings		3,409,133,361
Net Profit After Tax	1,513,277,772	
Minus: Appropriated For Legal Reserve	151,327,777	
2011's Unappropriated Earnings		1,361,949,995
Earnings Available For Distribution (Cumulative)		4,771,083,356
Cash Dividends To Shareholders (NTD1.6/per share)	1,158,461,629	1,158,461,629
End of Unappropriated Earnings		3,612,621,727
<p>Note 1 : According to the ruling issued by MOF on April 30, 1998 (Ref. 871941343), when distributing earnings it should be taxed as per the year that the earnings were gained. Coretronic adopts last in first out method when distributing earnings, which is to say, first distribute earnings from the most current year and then the previous year's when not sufficient.</p> <p>Note 2 : It is proposed to distribute NTD 204,434,406 for employee cash bonus, NTD 0 for directors' remunerations.</p>		

Chairman: Wade Chang President : Sarah Lin, Shen Wang Accounting Officer: Franck Ho
Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

IV. Discussion and Election Items

1. Proposal of Fund Raising by Issuance of New Shares and/or Overseas Depository Receipts Through Cash Capital Increase. (Proposed by the Board of Directors)

(1) In order to support the Company's fund needs for future operation, it is proposed that the shareholders meeting authorizes the Board based on the Company's needs and market conditions to issue new common shares for cash capital increase and/or issue overseas depository receipts through cash capital increase, to the extent of NTD 5 billion or 100

million shares (collectively and/or individually offerings).

(2) The principals of fund raising

① Cash capital increase by issuance of new shares

- A. If the Company issues new common shares for cash capital increase, the shares have par values of NTD 10 and issue at a premium. In addition, 15% shall be set aside for subscription by employees as per Article 267 of the Company Act.
- B. In accordance with Article 28-1 of the Securities and Exchange Act, the remaining should be offered in public through public subscription or book building. With respect to the shares not yet subscribed during the specified period, it is proposed to the shareholders meeting for authorizing the Chairman to approach and/or designate certain person for the subscription of such shares at the Price. The percentage of public offers shall be as follows:
 - a. Public Subscription approach : 15% of the total issued new shares shall be retained for employees' options and 10% thereof for public offer, and the remaining 75% for the original shareholders' subscription based on the shareholding ratios held by the shareholders on the record date of subscription.
 - b. Book Building approach : 15% of the total issued new shares will be retained for employees' options and the remaining 85% will be contributed under the book-building method and offered publicly pursuant to Article 28-1 of the Securities and Exchange Act. The issue price shall be decided by the regulations and market conditions. For the determination of offering price after book building process, it is proposed that the shareholders meeting authorizes the Chairman to negotiate with the underwriter to have actual price determined and submit the proposal to the Financial Supervisory Commission Executive Yuan, R.O.C., Securities and Futures Bureau for approval.

② Issuance of overseas depositary receipts through cash capital increase

- A. Upon participating in issuing overseas depositary receipts through cash increment by common stocks, 15% of the total issued new shares will be retained for employees' options pursuant to Article 267 of the Company Law. The remaining 85% will be contributed and offered publicly by the shareholders meeting pursuant to Article 28-1 of the Securities and Exchange Act, which serve to be the securities of the overseas depositary receipts as issued. The Chairman of the Board is authorized to contact specific persons to subscribe for the stocks which employees waive the right to subscribe for or do not subscribe for, or to include such stocks into the securities of the overseas Depositary Receipts.
- B. The price of the above overseas depositary receipts will beset in accordance with the "Self Discipline Rules of the Chinese Securities Association Governing Securities Underwriters for Offering and Issuance of Securities by Securities Issuers". It is hereby proposed to the shareholders meeting for authorizing the Chairman to negotiate

with the underwriters and determine the price of the overseas depositary receipts taking into consideration of then current capital market conditions, as well as the book-building. The basis of the above price setting arrangement is reasonable.

C.The Company would issue overseas depositary receipts through cash capital increase to the extent of NTD 5 billion or 100 million shares. For the rights of original shareholders, if calculated by the raising amount with par value of NTD 10, the issuance of new shares will have the maximum dilution rate at 69.06%; if calculated by the limited shares, the issuance of new shares will have the maximum dilution rate at 13.81%. However, after the capital increase produces positive effects, the Company's competitiveness is expected to be enhanced. In addition, as the overseas depositary receipts' issue price is decided based on the fair market price of the company's common stock, the issuance should have no major negative impacts on shareholders' rights and interests.

(3) It is proposed to the shareholders meeting for authorizing the Board of Directors to determine the details of the issuance of new shares and/or insurance of overseas depositary receipts through cash capital increase, including the number of shares to be issued, the offering plan, the underwriter approach, the projected items, the projected schedule for the use of proceeds, the projected results and any matters not provided herein, and based on the Company's needs and market conditions to issue shares collectively and/or individually offerings. It is also proposed to shareholders for authorizing the Board of Directors with full rights to follow-up and/or handles any adjustment, revisions and/or amendments which may be triggered by the amendment of law, the opinion or comments of the authority, and/or then market conditions.

(4)The proposal of Year 2011 on issuance of new shares for capital increase in cash and/or issue GDR for the new common shares from cash capital increase shall automatically cease to be effective once the said proposal would be discussed and passed by the shareholders meeting of Year 2012.

(5) Please resolve.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

2. Proposal of Amending the Company's Articles of Incorporation. (Proposed by the Board of Directors)

(1)To comply with the applicable laws, it is proposed to make certain amendments to the Articles of Incorporation of the Company.

(2)Please see below for a comparison table of the original provisions and amendments.

Original Version	Amendment Version	Note
Article 17 The resolution adopted at the shareholders meeting shall be recorded in the minutes of the meetings and be signed or sealed by the	Article 17 The resolution adopted at the shareholders meeting shall be recorded in the minutes of the meetings and be signed or sealed by the	To comply with the applicable laws

Original Version	Amendment Version	Note
<p>chairman. The minutes shall be issued to all shareholders within 20 days after the shareholders meeting.</p> <p>The Company may provide the minutes in the foregoing paragraph to shareholders holding less than 1,000 shares of registered stock via an announcement.</p>	<p>chairman. The minutes shall be issued to all shareholders within 20 days after the shareholders meeting.</p> <p>The Company may provide the minutes in the foregoing paragraph to shareholders holding less than 1,000 shares of registered stock via an announcement.</p>	
<p>Article 21</p> <p>Except as otherwise provided in the relevant laws or this Articles of Incorporation, any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting <u>more than 50%</u> of the directors present vote in favor of such resolution.</p> <p>Minutes of meetings shall be prepared for all resolutions adopted at a Board of Directors' meeting.</p>	<p>Article 21</p> <p>Except as otherwise provided in the relevant laws or this Articles of Incorporation, any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting <u>a general majority</u> of the directors present vote in favor of such resolution.</p> <p>Minutes of meetings shall be prepared for all resolutions adopted at a Board of Directors' meeting.</p>	To comply with the applicable laws
<p>Article 30</p> <p>This Articles of Incorporation adopted on June 18, 1992; 1st amended on September 6, 1993; 2nd amended on April 7th, 1994; 3rd amended on September 25th, 1995; 4th amended on November 8, 1996; 5th amended on September 26, 1997; 6th amended on June 12, 1998; 7th amended on April 20, 1999; 8th amended on April 25, 2010; 9th amended on June 18, 2001; 10th amended on May 29, 2002; 11th amended on May 29, 2002; 12th amended on May 25, 2004; 13th amended on May 26, 2005; 14th amended on June 2, 2006; 15th amended on June 16, 2007; 16th amended on June 13, 2008; 17th amended on June 15, 2010; There Articles of Incorporation shall be effective from the date they are approved by the shareholders meeting. The same applies in case of amendments.</p>	<p>Article 30</p> <p>This Articles of Incorporation adopted on June 18, 1992; 1st amended on September 6, 1993; 2nd amended on April 7th, 1994; 3rd amended on September 25th, 1995; 4th amended on November 8, 1996; 5th amended on September 26, 1997; 6th amended on June 12, 1998; 7th amended on April 20, 1999; 8th amended on April 25, 2010; 9th amended on June 18, 2001; 10th amended on May 29, 2002; 11th amended on May 29, 2002; 12th amended on May 25, 2004; 13th amended on May 26, 2005; 14th amended on June 2, 2006; 15th amended on June 16, 2007; 16th amended on June 13, 2008; 17th amended on June 15, 2010; <u>18th amended on June 12, 2012</u>; There Articles of Incorporation shall be effective from the date they are approved by the shareholders meeting. The same applies in case of amendments.</p>	Add the amendment of 18 th and date

(3) Please resolve.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

3. Proposal of Amending the Procedures of Acquisition or Disposal of Assets. (Proposed by the Board of Directors)

(1) To comply with the authority's regulatory requirements and to accommodate the Company's actual business needs, the BOD proposes to amend the Procedures of Acquisition or Disposal of Assets.

- (2) With respect to the acquisition or disposal of business-use machinery and equipment between the company and its subsidiaries, the company's board of directors may pursuant to delegate the board chairman to decide when the transaction is within NTD 500 million and have the decisions subsequently submitted to and ratified by the next board of directors meeting. The previous diligence will be effect after this shareholders meeting.
- (3) The comparison table of amendments to the Procedures of Acquisition or Disposal of Assets refer to handbook as Attachment 4.
- (4) Please resolve.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

4. To Elect Two Independent Directors (Proposed by the Board of Directors)

- (1) Dr. Han-Ping Shieh and Yen-Chun Wang resigned the independent directorship. The new two elected independent directors shall expire the same term with the existing directors, from June 12, 2012 to June 14, 2013.
- (2) According to the relevant regulations, the election of independent directors is conducted under the "candidate nomination system". The independent directors shall be elected from the nominated candidates approved by the 713th BOD meeting. The independent director candidates' academic background, experience and relevant information are attached hereto as below :

Name	Mr. Hsiao-Cheng Yu	Mr. Chual-Hsin Teng
Highest Education	Ph. D., School of Industrial & Systems Eng., Georgia Institute of Technology	Executive Master of Business Administration, National Chengchi University
significant position	Professor, Institute of Technology Management, National Chiao-Tung University	Chairman & President , Thin Chang Co., Ltd
Holding Shares	0	0

- (3) Please elect.

Election Results:

Title	Number Or ID	Name	Votes Received
Independent Director	K12*****69	Mr. Chual-Hsin Teng	322,916,476
Independent Director	A12*****36	Mr. Hsiao-Cheng Yu	322,916,476

5. Proposal of Release the Prohibition on Directors from Participation in Competitive Business. (Proposed by the Board of Directors)

- (1) Pursuant to Article 209-1 of the Company Act, a director engaging, either for himself or on behalf of another person, activities that are within the scope of the Company's business, shall explain at the shareholders meeting the essential details of such activities and obtain the shareholders approval for engaging in such activities.

(2) Directors who participate in the operations of another company that engages in the same or similar business scope as the Company, and who have not obtained the approval from the shareholders, hereby requests the shareholders' approval to release the current directors and the new elected directors from the non-competition restrictions in accordance. The current directors non-competition restrictions hereto as below :

Title	Name	non-competition restrictions
Director	Wade Chang	Director of Young Optics Inc, Chung Tsen Investment Co., Coretronic Venture Capital Co., Young Bright Optical (Suzhou) Co., Young Green Energy Co., Young Bright Technology Co., Young Lighting Technology Inc., and Coretronic System Engineering Co., Chairman of Hu Kou branch of Coretronic Co.
Director	Hsun Chieh Investment Co.	Director of Harvatek Co., United Microelectronics Co., Supervisor of Novatek Microelectronics Co., Unimicron Technology Co.
Director	Frank Juang	Director of Young Optics Inc, Young Optics, Inc, USA, Chung Tsen Investment Co., Young Bright Optical (Suzhou) Co., Young Bright Technology Co., Rays Optics Inc., Young Lighting Technology Inc., Coretronic System Engineering Co., Coretronic Venture Capital Co., Independent director of Browave Co, and Director of Taiwan Opportunities Fund Limited.
Director	Robert Huang	Director of Young Green Energy Co., Optoma Corp. ,Independent director of Wistron NeWeb Co, TSRC Co.
Independent Director	Ted Tu	Director of Lafa LifeTech Co., Independent director of Optoma Corp. , Sitronix Technology Co., and Chunghwa Picture Tubes, Ltd.
Independent Director	Hsiao-Cheng Yu	None.
Independent Director	Chual-Hsin Teng	Chairman and President of Thin Chang Co.

(3) Please resolve.

Resolution: The proposal has been unanimously approved by present shareholders after Chairman solicited shareholders' opinions.

V. Motions: None.

VI. Meeting Adjournment: 9:17 am.

Chairman: Wade Chang

Recorder: Franck Ho

Coretronic Corporation 2011 Annual Business Report

For the fiscal year of 2011, Coretronic reported consolidated sales revenue of NT\$77,063 million and the operating income totaled NT\$2,022 million with a net income of NT\$1,919 million. Net income attributable to equity holders of the parent company was NT\$1,513 million with the basic EPS* of NT\$2.09 per common share.

Sales breakdowns by product lines in 2011 as below: (Consolidated)

Product	2011	2010	Diff.
LCD Backlight (pcs)	63,010,660	78,150,276	(19%)
Projector (units)	1,230,802	1,326,548	(7%)

In 2011, Coretronic took important steps to further our development in advanced technologies of Backlight including screen printing, inkjet and laser printing, and successfully developed all kinds of backlight units including slim LCD Monitor and LCD TV. In addition, we have achieved the mass production of Hinge Up NB display with our system integration ability and the special positioning structure of NB cover designing; we have combined backlight unit with related NB cover components and realized the structure of integrated ultra-thin NB display unit, which will make the traditional material of backlight unit, such as plastic frame and back cover, unnecessary to reduce cost and make the product ultra-slim. Meanwhile, we have successfully developed thin, straight-down LED backlight unit for TV so that we can reduce LED chips numbers to decrease carbon emission and save energy.

Due to the availability of micro projection and LED light source components, Coretronic continues to develop a series of new products with features such as portability, easy setup, auto image detection and USB interface, allowing for integration with portable electronic products. This helps Coretronic expand its product lines in display sharing and mobile projection. Via the introduction of dual-lamp high efficiency optical engine platform, Coretronic had also entered into the professional market of high brightness. In addition, catering to the site characteristics of professional applications, Coretronic had developed a system thermal design with effective cooling at all installation angles to ensure projector reliability and provide unconstrained setup environments for end users. As corporate and educational applications are the two main projector markets, Coretronic regards enhanced functionality and usability as two pivotal development targets. Hence, a series of new-generation light-weight and high-lumen digital commercial projectors, interactive ultra-short-throw projectors for the educational applications, 3D full HD home theater projectors, and dual-lamp ultra-bright large venue projectors have hit the market in succession.

Looking into the future, Coretronic will adhere to its mission as a leader in the digital display system technology sector and aim to implementing the following strategies:

(1) Using optical technology as a core competitive strength to expand into other optical components and system products; to increase product value-add and price competitiveness; and to strengthen global competitive edge in terms of backlighting and projection technology. (2) Improving processing techniques of various light guide plates and backlight module and develop R&D platforms which can be expansively applied to all kinds of advanced display system products. (3) Improving operation models, provide optimal design, production and after-sales services, and foster closer relationships with LCD panel manufacturers and brand name customers. (4) Continuing to develop Pocket projectors, ultra short-throw projectors, 3D projectors and large venue projectors and

expand product applications by working with product road map of Taxes Instrument. (5) In response to the availability of micro projection and LED light source components, continuing to develop new products that combined with portable electronic products, allowing Coretronic to enter the markets of display sharing and mobile projection. (6) Developing seamless multi-projector display technology and multimedia interactive techniques, thus expanding into the system integration field. (7) Promoting the organization using the information technology to manage the potency; Integrate group resources deployment, promote to transfer the investment enterprise achievements; Strengthen various overseas organization function and the establishment, enhance the overall achievements. (8) With reference to corporate operating growth and financial positioning strategies, utilizing financing tools such as optimal capital market and the money market to acquire low-cost working capital as support to sustain operation growth and long-term development needs. Building consensus through engagement to enable teamwork, innovation and execution; materializing the vision to build technologies foundation for sustainable business and pursuing the ultimate interest of shareholders and staff.

Sincerely,

Chairman: Wade Chang President: Sarah Lin, Shen Wang Accounting Officer: Franck Ho

Audit Committee's Report

To: 2012 General Shareholders Meeting of Coretronic Corporation

The Board of Directors of the Company has delivered the 2011 business report, the financial statements and the proposed 2011 earnings distribution. The aforesaid 2011 financial statements of the Company and the consolidated financial statements had been audited by Ernst & Young. The Audit Committee has examined the above statements and found nothing out of order and thus prepared this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your ratification.

Coretronic Corporation

Chairman of the Audit Committee : Ted Tu

Date: April 26, 2012

INDEPENDENT AUDITORS' REPORT
English Translation of a Report Originally Issued in Chinese

To the Board of Directors and Stockholders of Coretronic Corporation

We have audited the accompanying balance sheets of Coretronic Corporation (the "Company") as of December 31, 2011 and 2010, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (R.O.C.). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coretronic Corporation as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with requirements of the Business Entity Accounting Act and Regulation on Business Entity Accounting Handling with respect to financial accounting standards, Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the R.O.C.

The Company has prepared consolidated financial statements as of December 31, 2011 and 2010 and for the years then ended. We have expressed an unqualified opinion those consolidated financial statements.

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
February 14, 2012
Taipei, Taiwan
Republic of China

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the R.O.C.

English Translation of Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION
BALANCE SHEETS
December 31, 2011, and 2010
(Expressed in Thousands of New Taiwan Dollars)

	As of December 31,			As of December 31,		
	2011		%	2010		%
	Amount	%		Amount	%	
Assets						
Current assets						
Cash and cash equivalents	\$ 4,358,447	14.95	\$ 11,414,120	31.92	\$ 5,750,262	16.08
Financial assets at fair value through profit or loss-current	3,327	0.01	10,319	0.03	183,315	0.51
Hedging derivative financial assets-current	16,949	0.06	162,970	0.46	299,136	0.84
Notes receivable-net	-	-	2,830	0.01	853	-
Accounts receivable-net	2,053,659	7.04	2,786,373	7.79	2,440,755	8.37
Accounts receivable-related parties-net	1,922,285	6.59	1,692,932	4.74	544,636	1.87
Other receivables	42,414	0.14	47,198	0.13	275,342	0.94
Other receivables-related parties	591,196	2.03	677,821	1.90	1,677,374	5.75
Inventories-net	1,410,519	4.84	1,345,188	3.76	1,255,883	0.43
Prepayments	97,697	0.33	79,552	0.22	51,042	0.18
Other current assets	3,234	0.01	4,360	0.01	493,004	1.69
Deferred income tax assets-current	72,001	0.25	108,831	0.30	70,401	0.24
Restricted assets-current	14,629	0.05	107,56	0.03	-	-
Total current assets	10,556,157	36.30	18,343,250	51.30	8,477,575	29.07
Funds and investments						
Long-term investments accounted for under the equity method	16,756,603	57.46	15,510,342	43.38	-	-
Financial assets measured at cost-noncurrent	221	-	44,250	0.12	-	-
Total funds and investments	16,756,824	57.46	15,554,592	43.50	-	-
Property, plant and equipment						
Land	23,901	0.08	23,901	0.07	50,516	0.17
Buildings and improvements	2,235,103	7.67	2,226,444	6.23	226	-
Machinery and equipments	217,384	0.75	203,821	0.57	-	-
Transportation equipments	404	-	3,049	0.01	50,742	0.17
Office equipments	24,358	0.08	40,717	0.11	8,528,317	29.24
Leasehold improvements	1,085	-	-	-	-	-
Other equipments	262,577	0.90	184,560	0.51	-	-
Subtotal	2,764,812	9.48	2,682,492	7.50	7,240,385	24.83
Less: Accumulated depreciation	(994,656)	(3.41)	(916,683)	(2.56)	-	-
Accumulated impairment	(70,280)	(0.24)	(31,936)	(0.09)	-	-
Prepayments for purchases of machinery and equipment	108	-	6,808	0.02	4,437,847	15.22
Property, plant and equipment, net	1,699,984	5.83	1,740,681	4.87	104,980	0.36
Intangible assets						
Patents	14,231	0.05	15,319	0.04	472,251	1.62
Computer software cost	13,768	0.05	22,158	0.06	2,292,170	7.86
Total intangible assets	27,999	0.10	37,477	0.10	-	-
Other assets						
Lease d assets	51,743	0.18	56,732	0.16	1,290,820	4.42
Refundable deposits	8,426	0.03	8,096	0.02	(1,339)	-
Deferred income tax assets-noncurrent	16,745	0.05	-	-	(49,168)	(0.17)
Other assets-others	14,285	0.05	15,879	0.05	(76,511)	(0.26)
Total other assets	91,199	0.31	80,707	0.23	20,633,846	70.76
Total assets	\$ 29,162,163	100.00	\$ 35,756,707	100.00	\$ 29,162,163	100.00
Liabilities and Shareholders' Equity						
Current liabilities						
Short-term debts	\$ 2,781,626	9.54	\$ 5,750,262	16.08	-	-
Financial liabilities at fair value through profit or loss-current	3,328	0.01	183,315	0.51	-	-
Hedging derivative financial liabilities-current	13,331	0.05	299,136	0.84	-	-
Notes payable	853	-	832	-	-	-
Accounts payable	2,440,755	8.37	4,230,825	11.83	-	-
Accounts payable-related parties	544,636	1.87	835,192	2.34	-	-
Income tax payable	275,342	0.94	391,858	1.10	-	-
Accrued expenses	1,677,374	5.75	2,196,201	6.14	-	-
Other payables	125,883	0.43	101,135	0.28	-	-
Payable to equipment suppliers	51,042	0.18	55,801	0.16	-	-
Other current liabilities	493,004	1.69	309,118	0.87	-	-
Product warranty liabilities	70,401	0.24	347,981	0.97	-	-
Total current liabilities	8,477,575	29.07	14,701,656	41.12	-	-
Long-term debts - interest bearing						
Long-term loans	-	-	-	-	436,950	1.22
Other liabilities						
Accrued pension liabilities	50,516	0.17	70,099	0.19	-	-
Deposits received	226	-	996	-	-	-
Deferred income tax liabilities-noncurrent	-	-	30,870	0.09	-	-
Total other liabilities	50,742	0.17	101,965	0.28	-	-
Total liabilities	8,528,317	29.24	15,240,571	42.62	-	-
Stockholders' equity						
Stock	7,240,385	24.83	7,240,385	20.25	-	-
Common stock	-	-	-	-	-	-
Capital surplus	-	-	-	-	-	-
Common stock and bonds conversion premiums	4,437,847	15.22	4,437,847	12.41	-	-
Treasury stocks transactions	104,980	0.36	104,980	0.29	-	-
Change in equities of long-term investments	472,251	1.62	462,236	1.29	-	-
Retained earnings	2,292,170	7.86	1,938,635	5.42	-	-
Legal reserve	-	-	23,363	0.07	-	-
Special reserve	-	-	-	-	-	-
Unappropriated earnings	4,922,411	16.88	6,273,440	17.55	-	-
Other adjustment in stockholders' equity	-	-	-	-	-	-
Cumulative translation adjustment	1,290,820	4.42	175,965	0.49	-	-
Net loss not recognized as pension cost	(1,339)	-	(4,549)	(0.01)	-	-
Unrealized gain or loss on financial instruments	(49,168)	(0.17)	(136,166)	(0.38)	-	-
Treasury stocks	(76,511)	(0.26)	-	-	-	-
Total stockholders' equity	20,633,846	70.76	20,516,136	57.38	-	-
Total liabilities and stockholders' equity	\$ 29,162,163	100.00	\$ 35,756,707	100.00	\$ 29,162,163	100.00

English Translation of Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION
STATEMENTS OF INCOME
For the years ended December 31, 2011 and 2010
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per share)

	For the years ended December 31,			
	2011		2010	
	Amount	%	Amount	%
Operating revenues				
Sales revenues	\$ 20,872,251	102.98	\$ 31,994,418	101.98
Less: sales returns	378,045	1.87	412,405	1.32
sales allowances	225,485	1.11	208,100	0.66
Net operating revenues	20,268,721	100.00	31,373,913	100.00
Cost of goods sold	18,065,241	89.13	28,393,665	90.50
Gross profit	2,203,480	10.87	2,980,248	9.50
Realized intercompany profit	87,986	0.44	80,032	0.25
Unrealized intercompany profit	103,879	0.51	87,986	0.28
Gross profit-net	2,187,587	10.80	2,972,294	9.47
Operating expenses				
Selling	336,179	1.66	348,213	1.11
Administrative	760,228	3.75	1,064,971	3.39
Research and development	1,160,729	5.73	1,192,977	3.80
Subtotal	2,257,136	11.14	2,606,161	8.30
Operating (loss) income	(69,549)	(0.34)	366,133	1.17
Non-operating income				
Interest revenues	36,451	0.18	23,011	0.07
Investment gain accounted for under the equity method, net	1,155,263	5.70	2,845,318	9.07
Dividend income	62,622	0.31	-	-
Gain on disposal of property, plant and equipment	540	-	-	-
Exchange gain, net	-	-	317,331	1.01
Rent revenue	50,305	0.25	62,496	0.20
Gain on valuation of financial assets and liabilities, net	432,317	2.13	4,077	0.01
Other income	156,094	0.77	176,173	0.56
Subtotal	1,893,592	9.34	3,428,406	10.93
Non-operating expenses				
Interest expense	79,954	0.39	63,116	0.20
Loss on disposal of property, plant and equipment	-	-	25,286	0.08
Exchange loss, net	138,930	0.69	-	-
Impairment loss	39,435	0.19	-	-
Other losses	7,377	0.04	7,374	0.02
Subtotal	265,696	1.31	95,776	0.31
Income before income tax	1,558,347	7.69	3,698,763	11.79
Income tax expense	(45,069)	(0.22)	(163,409)	(0.52)
Net income	\$ 1,513,278	7.47	\$ 3,535,354	11.27
	Pre-tax	Post-tax	Pre-tax	Post-tax
Earnings per share-basic (NTD)	\$ 2.16	\$ 2.09	\$ 5.11	\$ 4.88
	Pre-tax	Post-tax	Pre-tax	Post-tax
Earnings per share-diluted (NTD)	\$ 2.12	\$ 2.06	\$ 5.01	\$ 4.79

English Translation of Financial Statements Originally Issued in Chinese
 CORETRONIC CORPORATION
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 For the years ended December 31, 2011 and 2010
 (Expressed in Thousands of New Taiwan Dollars)

Description	Retained earnings							Unrealized gain or loss on financial instruments	Treasury Stock	Total stockholders' equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Cumulative translation adjustment	Net loss not recognized as pension cost			
Balance as of January 1, 2010	\$ 7,240,385	\$ 4,864,372	\$ 1,670,903	\$ 329	\$ 5,056,160	\$ 828,108	\$ (3,277)	\$ (20,066)	\$ -	\$ 19,636,884
Appropriation and distribution of 2009 retained earnings(Notes 1)	-	-	-	-	(267,732)	-	-	-	-	-
Legal reserve	-	-	267,732	-	(267,732)	-	-	-	-	-
Special reserve	-	-	-	23,094	(23,094)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,027,308)	-	-	-	-	(2,027,308)
Adjustment of capital surplus accounted for under the equity method	-	140,691	-	-	-	-	-	-	-	140,691
Net income for the year ended December 31, 2010	-	-	-	-	3,535,354	-	-	-	-	3,535,354
Changes in cumulative translation adjustments	-	-	-	-	-	(652,143)	-	-	-	(652,143)
Net loss not recognized as pension cost	-	-	-	-	-	-	(1,272)	-	-	(1,272)
Changes in unrealized gain or loss of cash flow hedge	-	-	-	-	-	-	-	(116,080)	-	(116,080)
Balance as of December 31, 2010	7,240,385	5,005,063	1,938,635	23,363	6,273,440	175,965	(4,549)	(136,166)	-	20,516,136
Appropriation and distribution of 2010 retained earnings (Notes 2)	-	-	-	-	(353,535)	-	-	-	-	-
Legal reserve	-	-	353,535	-	(353,535)	-	-	-	-	-
Reversal of special reserve	-	-	-	(23,363)	23,363	-	-	-	-	-
Cash dividends	-	-	-	-	(2,534,135)	-	-	-	-	(2,534,135)
Adjustment of capital surplus accounted for under the equity method	-	10,015	-	-	-	-	-	-	-	10,015
Net income for the year ended December 31, 2011	-	-	-	-	1,513,278	-	-	-	-	1,513,278
Changes in cumulative translation adjustments	-	-	-	-	-	1,114,855	-	-	-	1,114,855
Net loss not recognized as pension cost	-	-	-	-	-	-	3,210	-	-	3,210
Changes in unrealized gain or loss of available-for-sale financial assets	-	-	-	-	-	-	-	51,710	-	51,710
Changes in unrealized gain or loss of cash flow hedge	-	-	-	-	-	-	-	35,288	-	35,288
Treasury stock repurchased	-	-	-	-	-	-	-	-	(76,511)	(76,511)
Balance as of December 31, 2011	\$ 7,240,385	\$ 5,015,078	\$ 2,292,170	\$ -	\$ 4,922,411	\$ 1,290,820	\$ (1,339)	\$ (49,168)	\$ (76,511)	\$ 20,633,846

Note 1: Employee's bonuses of NT\$ 361,437 thousand were deducted from statements of income as expenses.
 Note 2: Employee's bonuses of NT\$ 480,950 thousand were deducted from statements of income as expenses.

English Translation of Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2011 and 2010
(Expressed in Thousands of New Taiwan Dollars)

Description	For the years ended December 31,	
	2011	2010
Cash flows from operating activities :		
Consolidated net income	\$ 1,513,278	\$ 3,535,354
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation (including assets leased to others)	175,829	170,305
Amortization	14,028	16,205
Impairment loss	39,435	-
Bad debt expenses	2,444	747
Net (gain) loss on disposal of property, plant and equipment	(540)	25,286
Inventory loss provision	14,809	16,815
Cash dividends received under the equity method	1,246,130	500,794
Loss on disposal of intangible assets (Under other losses)	-	49
Employees' bonuses	191,373	477,273
Transfer of financial assets measured at cost-return of capital to other income	(14,477)	-
Net (gain) loss on equity investments	(1,155,263)	(2,845,318)
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss – current	7,092	(10,151)
Notes receivable	2,830	(2,830)
Accounts receivable	730,270	1,750,529
Accounts receivable-related parties	(229,353)	462,196
Other receivables	4,784	(17,303)
Other receivables-related parties	87,382	973,804
Inventories	(80,140)	(87,802)
Prepayments	(17,536)	1,270
Other current assets	1,126	11,817
Deferred income tax assets	20,085	4,778
Financial liabilities at fair value through profit or loss – current	(179,987)	149,482
Notes payable	21	-
Accounts payable	(1,790,070)	(650,175)
Accounts payable-related parties	(290,556)	(1,651,022)
Income tax payable	(116,516)	(15,952)
Accrued expenses	(710,200)	(269,250)
Other payables	24,139	13,663
Other current liabilities	183,886	123,348
Product warranty liabilities	(277,580)	11,850
Deferred income tax liabilities	7,396	683
Accrued pension liabilities	(19,583)	(2,032)
Net cash (used in) provided by operating activities	(615,464)	2,694,413
Cash flows from investing activities :		
Purchase of property, plant and equipment	(184,691)	(97,784)
Proceeds from disposal of property, plant and equipment	10,137	3,843
Proceeds from disposal of intangible assets	116	70
Financial assets measured at cost-return of capital	58,506	-
Acquisition of long-term investments accounted for under the equity method	(300,000)	(470,537)
Increase in intangible assets	(3,072)	(33,634)
Increase in other assets-others	-	(2,080)
Increase in refundable deposits	(330)	(875)
(Increase) decrease in restricted assets	(3,873)	5,286
Net cash used in investing activities	(423,207)	(595,711)
Cash flows from financing activities :		
(Decrease) increase in short-term debts	(2,968,636)	659,053
Decrease in long-term bank loans	(436,950)	-
Increase in long-term bank loans	-	198,624
(Decrease) increase in deposits received	(770)	469
Repurchase of treasury stock	(76,511)	-
Cash Dividends	(2,534,135)	(2,027,308)
Net cash used in financing activities	(6,017,002)	(1,169,162)
Net (decrease) increase in cash and cash equivalents	(7,055,673)	929,540
Cash and cash equivalents at beginning of the period	11,414,120	10,484,580
Cash and cash equivalents at end of the period	\$ 4,358,447	\$ 11,414,120
Supplemental disclosures of cash flow information :		
Interest paid during the year	\$ 83,491	\$ 60,510
Income tax paid during the year	\$ 133,832	\$ 179,979
Purchase of properties:		
Proceeds from disposal of property, plant and equipment	\$ 179,932	\$ 89,816
Changes in payable to equipment suppliers (including other payables-related parties)	4,759	7,968
Cash paid	\$ 184,691	\$ 97,784

INDEPENDENT AUDITORS' REPORT
English Translation of a Report Originally Issued in Chinese

To the Board of Directors and Stockholders of Coretronic Corporation

We have audited the accompanying consolidated balance sheets of Coretronic Corporation and its subsidiaries (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China (R.O.C.). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Coretronic Corporation and its subsidiaries as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with requirements of the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and accounting principles generally accepted in the R.O.C.

Ernst & Young
CERTIFIED PUBLIC ACCOUNTANTS
February 14, 2012
Taipei, Taiwan
Republic of China

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the R.O.C. and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the R.O.C.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2011 and 2010
(Expressed in Thousands of New Taiwan Dollars)

	As of December 31,		As of December 31,	
	2011	2010	2011	2010
	Amount	%	Amount	%
Assets				
Current assets				
Cash and cash equivalents	\$ 14,321,728	28.97	\$ 23,358,563	41.10
Financial assets at fair value through profit or loss-current	25,414	0.05	15,911	0.03
Hedging derivative financial assets-current	20,866	0.04	162,970	0.29
Notes receivable-net	152,276	0.31	119,806	0.21
Accounts receivable-net	14,515,714	29.37	14,350,551	25.25
Accounts receivable-related parties-net	35,566	0.07	18,919	0.03
Other receivables	255,529	0.52	245,294	0.43
Other receivables-related parties	74	-	1,136	-
Inventories-net	7,678,860	15.54	6,826,764	12.01
Prepayments	513,471	1.04	655,228	1.15
Other current assets	151,933	0.31	107,553	0.19
Deferred income tax assets-current	147,396	0.30	204,911	0.36
Restricted assets-current	71,388	0.14	62,920	0.11
Total current assets	37,890,215	76.66	46,130,526	81.16
Funds and investments				
Long-term investments accounted for under the equity method	52,108	0.11	36,309	0.06
Financial assets at fair value through profit or loss-noncurrent	113,100	0.23	-	-
Available-for-sale financial assets-noncurrent	62,486	0.13	-	-
Financial assets measured at cost-noncurrent	276,157	0.55	393,335	0.69
Total funds and investments	503,851	1.02	429,644	0.75
Property, plant and equipment				
Land	74,900	0.15	74,900	0.13
Buildings and improvements	5,832,720	11.80	5,691,538	10.02
Machinery and equipments	5,101,312	10.32	4,223,046	7.43
Transportation equipments	110,297	0.23	104,152	0.18
Office equipments	737,273	1.49	545,450	0.96
Leasehold assets	1,885	-	1,753	-
Leasehold improvements	2,546,074	5.15	2,832,105	4.98
Other equipments	2,016,519	4.08	1,672,216	2.95
Subtotal	16,420,980	33.22	15,145,160	26.65
Less: Accumulated depreciation	(6,662,052)	(13.48)	(6,074,012)	(10.69)
Accumulated impairment	(687,533)	(1.39)	(420,619)	(0.74)
Construction in progress	454,103	0.92	116,762	0.21
Prepayments for purchases of machinery and equipment	163,821	0.33	381,304	0.67
Property, plant and equipment, net	9,689,319	19.60	9,148,595	16.10
Intangible assets				
Trademarks	476,640	0.96	476,425	0.84
Patents	14,231	0.03	15,319	0.03
Computer software cost	61,490	0.12	71,111	0.13
Goodwill	123,487	0.25	123,487	0.22
Deferred pension cost	22,032	0.05	25,416	0.04
Technological know-how	24,534	0.05	16,534	0.03
Rights to use land	92,830	0.19	138,500	0.24
Intangible assets-others	5,581	0.01	1,788	-
Total intangible assets	820,825	1.66	868,580	1.53
Other assets				
Leased assets	233,842	0.47	56,732	0.10
Refundable deposits	133,343	0.27	103,675	0.18
Deferred charges	28,107	0.06	13,141	0.02
Deferred income tax assets-noncurrent	36,480	0.07	-	-
Restricted assets-noncurrent	21,394	0.04	20,602	0.04
Other assets-others	71,605	0.15	67,625	0.12
Total other assets	524,771	1.06	261,775	0.46
Total assets	\$ 49,428,981	100.00	\$ 56,839,120	100.00
Liabilities and Shareholders' Equity				
Current liabilities				
Short-term debts	\$ 7,068,063	14.30	\$ 11,539,763	20.30
Financial liabilities at fair value through profit or loss-current	5,036	0.01	194,182	0.34
Hedging derivative financial liabilities-current	18,325	0.04	299,136	0.53
Notes payable	2,201	-	18,702	0.03
Accounts payable	12,139,450	24.56	13,344,989	23.48
Income tax payable	671,489	1.36	916,161	1.61
Accrued expenses	3,569,925	7.22	4,160,504	7.32
Other payables-related parties	7,674	0.02	2,501	-
Other payables	680,122	1.38	834,797	1.47
Payable to equipment suppliers	119,993	0.24	160,048	0.28
Current portion of long-term loans	882	-	34,255	0.06
Other current liabilities	654,960	1.32	516,930	0.91
Product warranty liabilities	573,075	1.16	691,709	1.22
Leasehold payable-current	354	-	319	-
Total current liabilities	25,512,449	51.61	32,713,996	57.54
Long-term debts - interest bearing				
Long-term loans	14,142	0.03	486,273	0.86
Leasehold payable-noncurrent	1,137	-	1,434	-
Total long-term debts - interest bearing	15,279	0.03	487,707	0.86
Other liabilities				
Accrued pension liabilities	113,858	0.23	136,121	0.24
Deposits received	24,045	0.05	9,144	0.02
Deferred income tax liabilities-noncurrent	-	-	216,270	0.38
Other liabilities-others	3,654	0.01	3,515	0.01
Total other liabilities	141,557	0.29	365,050	0.65
Total liabilities	25,669,285	51.93	33,566,753	59.05
Stockholders' equity				
Stock	7,240,385	14.65	7,240,385	12.74
Common stock	-	-	-	-
Capital surplus	4,437,847	8.98	4,437,847	7.81
Treasury stocks transactions	104,980	0.21	104,980	0.19
Change in equities of long-term investments	472,251	0.95	462,236	0.81
Retained earnings	2,292,170	4.64	1,938,635	3.41
Legal reserve	-	-	23,363	0.04
Special reserve	-	-	6,273,440	11.04
Unappropriated earnings	4,922,411	9.96	175,965	0.31
Other adjustment in shareholders' equity	1,290,820	2.61	(4,549)	(0.01)
Cumulative translation adjustment	(1,339)	-	(4,549)	(0.01)
Net loss not recognized as pension cost	(49,168)	(0.10)	(136,166)	(0.24)
Unrealized gain or loss on financial instruments	(76,511)	(0.15)	-	-
Treasury stocks	-	-	-	-
Total stockholders' equity of parent company	20,633,846	41.75	20,516,136	36.10
Minority interests	3,125,850	6.32	2,756,231	4.85
Total stockholders' equity	23,759,696	48.07	23,272,367	40.95
Total liabilities and shareholders' equity	\$ 49,428,981	100.00	\$ 56,839,120	100.00

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2011 and 2010
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per share)

	For the years ended December 31,			
	2011		2010	
	Amount	%	Amount	%
Operating revenues				
Sales revenues	\$ 79,455,189	103.10	\$ 95,882,997	103.96
Less: sales returns	1,834,222	2.38	3,004,773	3.26
sales allowances	558,173	0.72	641,379	0.70
Net operating revenues	77,062,794	100.00	92,236,845	100.00
Cost of goods sold	66,719,068	86.58	79,369,998	86.05
Gross profit	10,343,726	13.42	12,866,847	13.95
Operating expenses				
Selling	2,890,083	3.75	2,643,712	2.87
Administrative	2,777,610	3.61	2,983,214	3.23
Research and development	2,653,830	3.44	2,637,941	2.86
Subtotal	8,321,523	10.80	8,264,867	8.96
Operating income	2,022,203	2.62	4,601,980	4.99
Non-operating income				
Interest revenues	208,417	0.27	103,957	0.11
Investment gain accounted for under the equity method, net	3,757	0.01	-	-
Dividend income	77,996	0.10	-	-
Gain on disposal of investments	94,073	0.12	-	-
Exchange gain, net	10,792	0.01	380,883	0.41
Gain on valuation of financial assets and liabilities, net	487,154	0.63	423	-
Other income	243,850	0.32	152,640	0.17
Subtotal	1,126,039	1.46	637,903	0.69
Non-operating expenses				
Interest expense	191,855	0.25	148,741	0.16
Investment loss accounted for under the equity method, net	-	-	19,508	0.02
Loss on disposal of property, plant and equipment	27,906	0.04	43,338	0.05
Loss on disposal of investments	-	-	3,661	-
Impairment loss	349,157	0.44	28,708	0.03
Other losses	58,138	0.08	44,147	0.05
Subtotal	627,056	0.81	288,103	0.31
Income before income tax	2,521,186	3.27	4,951,780	5.37
Income tax expense	(602,490)	(0.78)	(1,074,859)	(1.17)
Net income	\$ 1,918,696	2.49	\$ 3,876,921	4.20
Income attributed to:				
Shareholders of the parent company	\$ 1,513,278	1.96	\$ 3,535,354	3.83
Minority interests	405,418	0.53	341,567	0.37
Net income	\$ 1,918,696	2.49	\$ 3,876,921	4.20
	Pre-tax	Post-tax	Pre-tax	Post-tax
Earnings per share-basic (NTD)				
Net income attributable to shareholders of the parent	\$ 2.88	\$ 2.09	\$ 6.14	\$ 4.88
Earnings per share-diluted (NTD)				
Net income attributable to shareholders of the parent	\$ 2.83	\$ 2.06	\$ 6.02	\$ 4.79

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORPETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2011 and 2010
(Expressed in Thousands of New Taiwan Dollars)

Description	Retained earnings					Unrealized gain or loss on financial instruments	Treasury Stock	Equity attributable to shareholders of the parent	Minority interests	Total shareholders' equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings					
Balance as of January 1, 2010	\$ 7,240,385	\$ 4,864,372	\$ 1,670,903	\$ 329	\$ 5,056,180	\$ (20,086)	\$ -	\$ 19,636,894	\$ 2,005,269	\$ 21,642,163
Appropriation and distribution of 2009 retained earnings (Note 1)	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	267,732	-	(267,732)	-	-	-	-	-
Special reserve	-	-	-	21,034	(21,034)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,027,326)	-	-	(2,027,308)	-	(2,027,308)
Adjustment of capital surplus accounted for under the equity method	-	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2010	-	140,691	-	-	-	-	-	140,691	-	140,691
Parent company's shareholders	-	-	-	-	3,554,354	-	-	3,554,354	-	3,554,354
Changes in minority interests	-	-	-	-	-	-	-	-	750,962	750,962
Changes in cumulative translation adjustments	-	-	-	-	-	-	-	(652,143)	-	(652,143)
Net loss not recognized as pension cost	-	-	-	-	-	(1,272)	-	(1,272)	-	(1,272)
Changes in one-time gain or loss of cash flow hedge	-	-	-	-	-	-	-	(116,080)	-	(116,080)
Balance as of December 31, 2010	7,240,385	5,005,063	1,938,635	21,363	6,273,440	(116,080)	-	20,516,136	2,756,231	23,272,367
Appropriation and distribution of 2010 retained earnings (Note 2)	-	-	-	-	-	(136,166)	-	-	-	-
Legal reserve	-	-	353,535	-	(353,535)	-	-	-	-	-
Reversal of special reserve	-	-	-	(21,363)	21,363	-	-	-	-	-
Cash dividends	-	-	-	-	(2,534,135)	-	-	(2,534,135)	-	(2,534,135)
Adjustment of capital surplus accounted for under the equity method	-	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2011	-	10,015	-	-	-	-	-	10,015	-	10,015
Parent company's shareholders	-	-	-	-	1,513,278	-	-	1,513,278	-	1,513,278
Changes in cumulative translation adjustments	-	-	-	-	-	-	-	1,114,835	-	1,114,835
Net loss not recognized as pension cost	-	-	-	-	-	3,210	-	3,210	-	3,210
Changes in one-time gain or loss of available-for-sale financial assets	-	-	-	-	-	(51,710)	-	(51,710)	-	(51,710)
Changes in one-time gain or loss of cash flow hedge	-	-	-	-	-	138,708	-	138,708	-	138,708
Treasury stock repurchased	-	-	-	-	-	-	(76,511)	(76,511)	-	(76,511)
Changes in minority interests	-	-	-	-	-	-	-	360,619	-	360,619
Balance as of December 31, 2011	\$ 7,240,385	\$ 5,015,078	\$ 2,292,170	\$ -	\$ 4,022,411	\$ (40,168)	\$ (76,511)	\$ 20,633,846	\$ 3,125,850	\$ 23,759,696

Note 1: Employees' bonuses of NT\$ 361,437 thousand were deducted from consolidated statements of income as expenses.

Note 2: Employees' bonuses of NT\$ 480,950 thousand were deducted from consolidated statements of income as expenses.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
CORETRONIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2011 and 2010
(Expressed in Thousands of New Taiwan Dollars)

Description	For the years ended December 31,	
	2011	2010
Cash flows from operating activities:		
Consolidated net income	\$ 1,918,696	\$ 3,876,921
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation (including assets leased to others)	1,435,438	1,395,801
Amortization	141,927	84,747
Impairment loss	349,157	28,708
Bad debt expenses (reversal)	42,778	(168,981)
Inventory loss provision	262,528	394,987
Employees' bonuses	332,346	865,590
Transfer of properties to operating expenses	554	-
Net loss on disposal of property, plant and equipment	27,906	43,338
Gain on disposal of investments	(94,073)	-
Transfer of financial assets measured at cost-return of capital to other income	(14,477)	-
Loss on disposal of intangible assets (Under other losses)	-	49
Loss on proceeds from disposal of deferred charges (Under other losses)	-	2,692
Net (gain) loss on equity investments	(3,757)	19,508
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss – current	(9,503)	(10,883)
Notes receivable	(32,470)	(64,974)
Accounts receivable	(241,602)	5,384,739
Accounts receivable-related parties	(16,647)	(17,979)
Other receivables-related parties	1,062	(688)
Other receivables	(10,266)	21,488
Inventories	(1,160,148)	(924,066)
Prepayments	140,534	(147,305)
Other current assets	(44,380)	(38,378)
Deferred income tax assets	21,035	24,823
Financial liabilities at fair value through profit or loss – current	(189,146)	160,349
Notes payable	(16,501)	16,299
Accounts payable	(1,195,077)	(2,431,337)
Accounts payable-related parties	-	(258)
Income tax payable	(244,672)	287,255
Accrued expenses	(927,423)	(269,728)
Other payables-related parties	5,173	(981)
Other payables	(153,842)	(103,125)
Other current liabilities	141,109	(115,165)
Product warranty liabilities	(117,734)	21,268
Deferred income tax liabilities	(178,004)	(154,231)
Accrued pension liabilities	(15,669)	6,350
Net cash provided by operating activities	154,852	8,186,833
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss – noncurrent	(113,100)	-
Acquisition of available-for-sale financial assets-noncurrent	(114,196)	-
Financial assets measured at cost-return of capital	58,506	-
Proceeds from disposal of subsidiaries	174,734	-
Purchase of property, plant and equipment	(2,165,558)	(2,752,190)
Proceeds from disposal of property, plant and equipment	101,295	53,891
Increase in intangible assets	(47,007)	(83,850)
Proceeds from disposal of intangible assets	217	712
Increase in assets lease to others	(520)	-
Increase in refundable deposits	(29,668)	(5,258)
Increase in deferred expense	(72,233)	(2,489)
(Increase) decrease in restricted assets	(9,260)	19,812
Increase in other assets-others	(5,574)	(1,621)
Net cash used in investing activities	(2,222,364)	(2,770,993)
Cash flows from financing activities:		
(Decrease) increase in short-term debts	(4,471,700)	1,350,509
Decrease in long-term bank loans	(505,504)	(109,210)
Increase in long-term bank loans	-	199,624
Increase in deposits received	14,901	2,165
Cash Dividends	(2,534,135)	(2,027,308)
Increase (decrease) in other liabilities-others	139	(346)
(Decrease) increase in lease payable	(262)	1,753
Repurchase of treasury stock	(76,511)	-
Change in minority interests	(25,784)	550,086
Net cash used in financing activities	(7,598,856)	(32,727)
Effect of changes in consolidated entity	(244)	-
Effect of exchange rate	629,777	(399,696)
Net (decrease) increase in cash and cash equivalents	(9,036,835)	4,983,417
Cash and cash equivalents at beginning of the period	23,358,563	18,375,146
Cash and cash equivalents at end of the period	\$ 14,321,728	\$ 23,358,563
Supplemental disclosures of cash flow information:		
Interest paid during the year	\$ 176,106	\$ 145,940
Income tax paid during the year	\$ 489,207	\$ 739,956
Non-cash activities:		
Current portion of long-term loans	\$ 882	\$ 34,255
Current portion of leasehold payable	\$ 354	\$ 319
Purchase of properties:		
Proceeds from disposal of property, plant and equipment	\$ 2,126,689	\$ 2,836,789
Changes in payable to equipment suppliers	38,869	(84,599)
Cash paid	\$ 2,165,558	\$ 2,752,190