

Financial Statement Balance Sheet

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/06/30	2012/12/31	2012/06/30	2012/01/01
Balance Sheet				
Assets				
Current assets				
Cash and cash equivalents				
Total cash and cash equivalents	16,665,961	11,188,839	14,374,513	10,925,608
Current financial assets at fair value through profit or loss				
Total current financial assets at fair value through profit or loss	217,758	123,148	53,527	33,760
Current bond investment without active market				
Current bond investment without active market, net	590,058	628,839	511,031	529,140
Accounts receivable, net				
Accounts receivable, net	2,892,419	2,540,846	2,926,441	2,256,219
Accounts receivable due from related parties, net				
Accounts receivable due from related parties, net	771,958	665,715	923,536	838,887
Other receivables				
Other receivables, net	129,973	111,651	90,363	25,544
Other receivables due from related parties				
Other receivables due from related parties, net	32,323	886	36,757	1,008
Inventories				
Total inventories	3,327,545	3,006,971	2,704,648	2,873,632
Prepayments				
Total prepayments	106,017	124,916	137,122	156,395
Other current assets				
Total other current assets	1,436,368	1,057,983	563,235	45,390
Total current assets	26,170,380	19,449,794	22,321,173	17,685,583
Non-current assets				
Non-current available-for-sale financial assets				
Non-current available-for-sale financial assets, net	820,336	746,994	769,413	842,132
Held-to-maturity non-current financial assets				
Non-current held-to-maturity financial assets, net	397,111	378,734	381,783	390,964
Non-current financial assets at cost				
Non-current financial assets at cost, net	1,069,940	1,039,547	1,074,893	1,093,506

Investments accounted for using equity method				
Investments accounted for using equity method, net	327,091	294,921	285,811	312,439
Property, plant and equipment				
Total property, plant and equipment	3,064,046	3,118,856	3,185,731	3,459,788
Investment property, net				
Investment property, net	83,033	81,250	83,978	88,059
Intangible assets				
Total intangible assets	1,090,002	1,033,464	1,126,836	1,178,081
Deferred tax assets	152,453	171,705	231,128	294,010
Other non-current assets				
Total other non-current assets	35,934	44,968	57,345	49,839
Total non-current assets	7,039,946	6,910,439	7,196,918	7,708,818
Total assets	33,210,326	26,360,233	29,518,091	25,394,401
Liabilities				
Current liabilities				
Short-term borrowings				
Total short-term borrowings	5,533,344	1,147,536	4,679,350	2,698,498
Notes payable				
Total notes payable	6,684	7,459	8,643	6,182
Accounts payable				
Total accounts payable	3,307,186	3,335,816	2,944,112	1,966,682
Accounts payable to related parties				
Total accounts payable to related parties	297,421	254,042	347,298	307,890
Other payables				
Total other payables	4,860,303	3,093,360	4,088,897	2,953,004
Other payables to related parties	29,701	35,401	29,982	35,187
Current tax liabilities	165,603	72,381	39,564	32,068
Other current liabilities				
Total other current liabilities	25,866	49,187	13,808	28,989
Total current liabilities	14,226,108	7,995,182	12,151,654	8,028,500
Non-current liabilities				
Non-current provisions				
Total non-current provisions	749,738	483,765	358,175	296,675
Other non-current liabilities				
Total other non-current liabilities	166,409	185,130	207,773	222,563
Total non-current liabilities	916,147	668,895	565,948	519,238

Total liabilities	15,142,255	8,664,077	12,717,602	8,547,738
Equity				
Equity attributable to owners of parent				
Share capital				
Ordinary share	4,987,795	4,987,795	4,921,313	4,921,313
Stock dividend to be distributed	127,599	0	137,094	0
Total capital stock	5,115,394	4,987,795	5,058,407	4,921,313
Capital surplus				
Capital surplus, additional paid-in capital				
Total capital surplus, additional paid-in capital	4,339,288	5,436,603	5,365,991	5,513,630
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	3,667	0	0	0
Total capital surplus	4,342,955	5,436,603	5,365,991	5,513,630
Retained earnings				
Legal reserve	2,888,304	2,662,950	2,662,950	2,503,697
Special reserve	533,055	173,073	173,073	141,433
Unappropriated retained earnings (accumulated deficit)				
Total unappropriated retained earnings (accumulated deficit)	5,234,221	4,958,790	3,855,333	3,939,663
Total retained earnings	8,655,580	7,794,813	6,691,356	6,584,793
Other equity interest				
Exchange differences on translation of foreign financial statements				
Total exchange differences on translation of foreign financial statements	-108,060	-511,016	-319,476	-217,487
Unrealized gains (losses) on available-for-sale financial assets				
Total unrealized gains (losses) on available-for-sale financial assets	52,227	-22,039	4,211	44,414
Total other equity interest	-55,833	-533,055	-315,265	-173,073
Total equity attributable to owners of parent	18,058,096	17,686,156	16,800,489	16,846,663
Non-controlling interests	9,975	10,000	0	0
Total equity	18,068,071	17,696,156	16,800,489	16,846,663
Equivalent issue shares of advance receipts for ordinary share	0	0	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0	0

Financial Statement Income Statement

Financial year: Yearly

Unit: NT\$ thousand

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Accounting Title	2013/2nd	2012/2nd	2013/01/01 To 2013/06/30	2012/01/01 To 2012/06/30
Statement of comprehensive income				
Operating revenue				
Total operating revenue	6,956,161	6,603,443	13,699,850	11,935,917
Operating costs				
Total operating costs	3,974,478	3,901,888	7,692,980	7,064,484
Gross profit (loss) from operations	2,981,683	2,701,555	6,006,870	4,871,433
Gross profit (loss) from operations	2,981,683	2,701,555	6,006,870	4,871,433
Operating expenses				
Selling expenses				
Total selling expenses	406,211	398,510	807,214	690,408
Administrative expenses				
Total administrative expenses	299,765	389,144	710,738	635,714
Research and development expenses				
Total research and development expenses	1,614,515	1,221,864	3,155,488	2,338,837
Total operating expenses	2,320,491	2,009,518	4,673,440	3,664,959
Net other income (expenses)				
Net other income (expenses)	1,757	1,832	3,696	3,669
Net operating income (loss)	662,949	693,869	1,337,126	1,210,143
Non-operating income and expenses				
Other income				
Total other income	114,491	83,665	194,232	159,592
Other gains and losses				
Other gains and losses, net	55,356	-134,006	99,451	-124,816
Finance costs				
Finance costs, net	9,368	9,758	14,507	16,752
Share of profit (loss) of associates and joint ventures accounted for using equity method				
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	28,253	1,722	50,942	12,717
Total non-operating income and expenses	188,732	-58,377	330,118	30,741
Profit (loss) from continuing operations before tax	851,681	635,492	1,667,244	1,240,884
Tax expense (income)				
Total tax expense (income)	73,089	52,193	158,089	100,845
Profit (loss) from continuing operations	778,592	583,299	1,509,155	1,140,039

Profit (loss)	778,592	583,299	1,509,155	1,140,039
Other comprehensive income				
Exchange differences on translation	109,449	91,046	402,914	-101,997
Unrealised gains (losses) on valuation of available-for-sale financial assets	79,733	-63,977	73,892	-39,783
Share of other comprehensive income of associates and joint ventures accounted for using equity method				
Total share of other comprehensive income of associates and joint ventures accounted for using equity method	-215	-1,146	416	-412
Other comprehensive income, net	188,967	25,923	477,222	-142,192
Total comprehensive income	967,559	609,222	1,986,377	997,847
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	778,592	583,299	1,509,180	1,140,039
Profit (loss), attributable to non-controlling interests	0	0	-25	0
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	967,559	609,222	1,986,402	997,847
Comprehensive income, attributable to non-controlling interests	0	0	-25	0
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	1.56	1.17	3.03	2.29
Total basic earnings per share	1.56	1.17	3.03	2.29
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	1.54	1.15	2.95	2.24
Total diluted earnings per share	1.54	1.15	2.95	2.24

Financial Statement Statements of Cash Flows

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/01/01 To 2013/06/30	2012/01/01 To 2012/06/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	1,667,244	1,240,884
Profit (loss) before tax	1,667,244	1,240,884
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	312,649	367,843
Amortization expense	260,395	177,836

Provision (reversal of provision) for bad debt expense	5,250	7,890
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-2,937	-1,227
Interest expense	14,506	16,752
Interest income	-184,213	-140,476
Share of loss (profit) of associates and joint ventures accounted for using equity method	-50,942	-12,717
Loss (gain) on disposal of property, plan and equipment	-2,209	267
Loss (gain) on disposal of investments	0	-45,356
Total adjustments to reconcile profit (loss)	352,499	370,812
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-86,389	-18,829
Decrease (increase) in accounts receivable	-356,823	-678,112
Decrease (increase) in accounts receivable due from related parties	-106,243	-84,649
Decrease (increase) in other receivable	19,330	-64,819
Decrease (increase) in other receivable due from related parties	-31,437	-1,154
Decrease (increase) in inventories	-320,574	168,984
Decrease (increase) in prepayments	18,899	19,273
Decrease (increase) in other current assets	-378,385	-517,845
Total changes in operating assets	-1,241,622	-1,177,151
Changes in operating liabilities		
Increase (decrease) in notes payable	-775	2,461
Increase (decrease) in accounts payable	-28,630	977,430
Increase (decrease) in accounts payable to related parties	43,379	39,408
Increase (decrease) in other payable	158,731	139,737
Increase (decrease) in other payable to related parties	-5,700	-5,205
Increase (decrease) in provisions	265,973	61,500
Increase (decrease) in other current liabilities	-23,321	-15,181
Increase (decrease) in accrued pension liabilities	-18,721	-14,790
Total changes in operating liabilities	390,936	1,185,360
Total changes in operating assets and liabilities	-850,686	8,209
Total adjustments	-498,187	379,021
Cash inflow (outflow) generated from operations	1,169,057	1,619,905
Interest received	184,213	140,476
Interest paid	-12,819	-17,219
Income taxes refund (paid)	-73,083	-30,575
Net cash flows from (used in) operating activities	1,267,368	1,712,587

Cash flows from (used in) investing activities		
Proceeds from disposal of available-for-sale financial assets	0	75,612
Acquisition of bond investments without active market	-192,373	0
Proceeds from disposal of bond investments without active market	262,549	0
Proceeds from capital reduction of financial assets at cost	0	3,289
Proceeds from disposal of investments accounted for using equity method	0	8,724
Acquisition of property, plant and equipment	-235,288	-60,753
Proceeds from disposal of property, plant and equipment	3,072	0
Increase in refundable deposits	224	-1,368
Acquisition of intangible assets	-318,374	-201,956
Increase in other non-current assets	8,810	-6,138
Net cash flows from (used in) investing activities	-471,380	-182,590
Cash flows from (used in) financing activities		
Increase in short-term loans	4,385,808	1,980,852
Net cash flows from (used in) financing activities	4,385,808	1,980,852
Effect of exchange rate changes on cash and cash equivalents	295,326	-61,944
Net increase (decrease) in cash and cash equivalents	5,477,122	3,448,905
Cash and cash equivalents at beginning of period	11,188,839	10,925,608
Cash and cash equivalents at end of period	16,665,961	14,374,513
Cash and cash equivalents reported in the statement of financial position	16,665,961	14,374,513

Financial Statement Statements of Changes in Stockholders' Equity

Financial year: Yearly

Unit: NT\$ thousand

2013/06/30
Statement of Stockholders' Equity
Unit: NT\$ thousand

	Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	4,987,795	0	4,987,795	5,436,603	2,662,950	173,073	4,958,790	7,794,813	-511,016	-22,039	533,055	17,686,156	10,000	17,696,156
Legal reserve appropriated	0	0	0	0	225,354	0	-225,354	0	0	0	0	0	0	0
Special reserve	0	0	0	0	0	359,982	-359,982	0	0	0	0	0	0	0

appropriated															
Cash dividends of ordinary share	0	0	0	0	0	0	-598,535	-598,535	0	0	0	-598,535	0	-598,535	
Stock dividends of ordinary share	0	127,599	127,599	0	0	0	-49,878	-49,878	0	0	0	77,721	0	77,721	
Changes in equity of associates and joint ventures accounted for using equity method	0	0	0	3,667	0	0	0	0	0	0	0	3,667	0	3,667	
Cash dividends from capital surplus	0	0	0	-	1,097,315	0	0	0	0	0	0	-1,097,315	0	-1,097,315	
Profit (loss)	0	0	0	0	0	0	1,509,180	1,509,180	0	0	0	1,509,180	-25	1,509,155	
Other comprehensive income	0	0	0	0	0	0	0	0	402,956	74,266	477,222	477,222	0	477,222	
Total comprehensive income	0	0	0	0	0	0	1,509,180	1,509,180	402,956	74,266	477,222	1,986,402	-25	1,986,377	
Total increase (decrease) in equity	0	127,599	127,599	-	1,093,648	225,354	359,982	275,431	860,767	402,956	74,266	477,222	371,940	-25	371,915
Equity at end of period	4,987,795	127,599	5,115,394	4,342,955	2,888,304	533,055	5,234,221	8,655,580	-108,060	52,227	-55,833	18,058,096	9,975	18,068,071	

2012/06/30
Statement of Stockholders' Equity
Unit: NT\$ thousand

	Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	4,921,313	0	4,921,313	5,513,630	2,503,697	141,433	3,939,663	6,584,793	-217,487	44,414	173,073	16,846,663	0	16,846,663
Legal reserve appropriated	0	0	0	0	159,253	0	-159,253	0	0	0	0	0	0	0
Special reserve appropriated	0	0	0	0	0	31,640	-31,640	0	0	0	0	0	0	0
Cash dividends														

of ordinary share	0	0	0	0	0	0	-984,263	-984,263	0	0	0	-984,263	0	-984,263
Stock dividends of ordinary share	0	137,094	137,094	0	0	0	-49,213	-49,213	0	0	0	87,881	0	87,881
Cash dividends from capital surplus	0	0	0	-147,639	0	0	0	0	0	0	0	-147,639	0	-147,639
Profit (loss)	0	0	0	0	0	0	1,140,039	1,140,039	0	0	0	1,140,039	0	1,140,039
Other comprehensive income	0	0	0	0	0	0	0	0	-101,989	-40,203	142,192	-142,192	0	-142,192
Total comprehensive income	0	0	0	0	0	0	1,140,039	1,140,039	-101,989	-40,203	142,192	997,847	0	997,847
Total increase (decrease) in equity	0	137,094	137,094	-147,639	159,253	31,640	-84,330	106,563	-101,989	-40,203	142,192	-46,174	0	-46,174
Equity at end of period	4,921,313	137,094	5,058,407	5,365,991	2,662,950	173,073	3,855,333	6,691,356	-319,476	4,211	315,265	16,800,489	0	16,800,489

Financial Statement Independent Auditors' Report

Financial year: Yearly

Unit: NT\$ thousand

Report of Independent Auditors	
Name of CPA Firm	Price waterhouseCoopers'
Name of CPA 1	Tsang Kwok-Wah
Name of CPA 2	Lin, Yu-Kuan
Date of Audit (Review)	2013-08-12
Type of Report	
Review Report	Y
Type of Opinion	
Qualified Opinion	Y
Situations for not Issuing a Standard Unqualified Opinion	
Financial statements of non-major subsidiary or investment accounted for using equity method have not been audited or reviewed	Y
Description of Matter Emphasized	
Description of Other Matter	
We have reviewed the accompanying consolidated balance sheets of Realtek Semiconductor Corporation and subsidiaries (the Company) as of June 30, 2013 and	

Content of Independent Auditors Report

December 31, June 30, and January 1, 2012 and the related consolidated statements of comprehensive income for three-month period ended June 30, 2013 and 2012, for six-month period ended June 30, 2013 and 2012, of changes in stockholder's equity and cash flows for the six-month period then ended June 30, 2013 and 2012. These financial consolidated statements are the responsibility of the Company's management. Our responsibility is to issue a review report on these financial statements based on our reviews. Except for the facts stated in the third paragraph, we conducted our reviews in accordance with the guidelines of ROC Statement on Auditing Standards No.36 (ROC SAS No. 36), "Reviewing Financial Statements". Those guidelines require that we plan and perform the review, which consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. As stated in note 4(3) to the financial statements, the financial statements and the disclosure in note 13 of certain subsidiaries and investees were not reviewed by independent auditors. The total assets (including long-term investments accounted for under the equity method) of these subsidiaries amounted to NT\$3,127,766 thousand and NT\$2,587,457 thousand, or 9.42% and 8.77% of the total consolidated assets as of June 30, 2013 and 2012, respectively, and the total liabilities of these subsidiaries amounted to NT\$543,921 thousand and NT\$458,040 thousand, or 3.59% and 3.60% of the total consolidated liabilities as of June 30, 2013 and 2012, respectively. The comprehensive income (including investment income accounted for under the equity method and comprehensive income) of these subsidiaries were NT\$119,673 thousand and NT\$(55,656) thousand, or 12.37% and (9.14%) of the total consolidated comprehensive income for three-month period ended June 30, 2013 and 2012, were NT\$146,337 thousand and NT\$3,601 thousand, or 7.37% and 0.36% of the total consolidated comprehensive income for six-month period ended June, 2013 and 2012. Based on our reviews, we are not aware of any modifications that should be made, in any material respects, to the financial statements referred to in the first paragraph in order for them to be in conformity with the Rules Governing the Preparation of Financial Statements of Securities Issuers and IAS 34 Interim Financial Report and IFRS1 First-time Adoption of International Financial Reporting Standards, except for the effect of such adjustments, if any, as might have been determined to be necessary

had the subsidiaries and investee companies?? financial statements as stated in the third paragraph been reviewed.