

Financial Statement Balance Sheet

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/12/31	2012/12/31	2012/01/01
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	16,515,621	11,188,839	10,925,608
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	144,773	123,148	33,760
Current bond investment without active market			
Current bond investment without active market, net	1,281,373	628,839	529,140
Accounts receivable, net			
Accounts receivable, net	3,124,085	2,540,846	2,256,219
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	932,354	665,715	838,887
Other receivables			
Other receivables, net	164,938	111,651	25,544
Other receivables due from related parties			
Other receivables due from related parties, net	0	886	1,008
Inventories			
Total inventories	2,790,862	3,006,971	2,873,632
Prepayments			
Total prepayments	120,241	124,916	156,395
Other current assets			
Total other current assets	2,147,472	1,057,983	45,390
Total current assets	27,221,719	19,449,794	17,685,583
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	747,116	746,994	842,132
Held-to-maturity non-current financial assets			
Non-current held-to-maturity financial assets, net	399,796	378,734	390,964

Non-current financial assets at cost			
Non-current financial assets at cost, net	978,442	1,039,547	1,093,506
Investments accounted for using equity method			
Investments accounted for using equity method, net	322,834	294,921	312,439
Property, plant and equipment			
Total property, plant and equipment	3,035,281	3,118,856	3,459,788
Investment property, net			
Investment property, net	82,146	81,250	88,059
Intangible assets			
Total intangible assets	1,257,062	1,033,464	1,178,081
Deferred tax assets	31,632	171,704	294,010
Other non-current assets			
Total other non-current assets	53,154	44,969	49,839
Total non-current assets	6,907,463	6,910,439	7,708,818
Total assets	34,129,182	26,360,233	25,394,401
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	6,288,505	1,147,536	2,698,498
Notes payable			
Total notes payable	4,282	7,459	6,182
Accounts payable			
Total accounts payable	2,903,789	3,335,816	1,966,682
Accounts payable to related parties			
Total accounts payable to related parties	345,399	254,042	307,890
Other payables			
Total other payables	3,903,730	3,093,360	2,953,004
Other payables to related parties	36,306	35,401	35,187
Current tax liabilities	82,742	72,381	32,068
Other current liabilities			
Total other current liabilities	29,927	49,187	28,989
Total current liabilities	13,594,680	7,995,182	8,028,500
Non-current liabilities			

Non-current provisions			
Total non-current provisions	856,557	483,765	296,675
Deferred tax liabilities			
Total deferred tax liabilities	5,770	128	0
Other non-current liabilities			
Total other non-current liabilities	148,416	185,002	222,563
Total non-current liabilities	1,010,743	668,895	519,238
Total liabilities	14,605,423	8,664,077	8,547,738
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	5,049,513	4,987,795	4,921,313
Total capital stock	5,049,513	4,987,795	4,921,313
Capital surplus			
Capital surplus, additional paid-in capital			
Total capital surplus, additional paid-in capital	4,405,169	5,436,603	5,513,630
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	1,686	0	0
Total capital surplus	4,406,855	5,436,603	5,513,630
Retained earnings			
Legal reserve	2,888,304	2,662,950	2,503,697
Special reserve	533,055	173,073	141,433
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	6,760,468	4,958,790	3,939,663
Total retained earnings	10,181,827	7,794,813	6,584,793
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	-137,358	-511,016	-217,487
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	13,020	-22,039	44,414
Total other equity interest	-124,338	-533,055	-173,073
Total equity attributable to owners of parent	19,513,857	17,686,156	16,846,663
Non-controlling interests	9,902	10,000	0
Total equity	19,523,759	17,696,156	16,846,663

Equivalent issue shares of advance receipts for ordinary share	0	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0

Financial Statement Income Statement

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/4th	2012/4th
Statement of comprehensive income		
Operating revenue		
Total operating revenue	28,180,010	24,613,536
Operating costs		
Total operating costs	16,008,088	14,490,092
Gross profit (loss) from operations	12,171,922	10,123,444
Gross profit (loss) from operations	12,171,922	10,123,444
Operating expenses		
Selling expenses		
Total selling expenses	1,641,999	1,534,436
Administrative expenses		
Total administrative expenses	1,365,495	1,258,324
Research and development expenses		
Total research and development expenses	6,659,885	5,055,023
Total operating expenses	9,667,379	7,847,783
Net other income (expenses)		
Net other income (expenses)	6,526	7,366
Net operating income (loss)	2,511,069	2,283,027
Non-operating income and expenses		
Other income		
Total other income	489,498	309,189
Other gains and losses		
Other gains and losses, net	208,295	-152,063
Finance costs		
Finance costs, net	41,447	34,083
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	90,117	27,517
Total non-operating income and expenses	746,463	150,560
Profit (loss) from continuing operations before tax	3,257,532	2,433,587
Tax expense (income)		
Total tax expense (income)	222,203	197,401
Profit (loss) from continuing operations	3,035,329	2,236,186
Profit (loss)	3,035,329	2,236,186
Other comprehensive income		
Exchange differences on translation	373,687	-293,538
Unrealised gains (losses) on valuation of available-for-sale financial assets	33,879	-62,202
Actuarial gains (losses) on defined benefit plans	0	7,310
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	1,151	-4,242
Other comprehensive income, net	408,717	-352,672
Total comprehensive income	3,444,046	1,883,514
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	3,035,427	2,236,186
Profit (loss), attributable to non-controlling interests	-98	0
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	3,444,144	1,883,514
Comprehensive income, attributable to non-controlling interests	-98	0
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	6.02	4.45
Total basic earnings per share	6.02	4.45
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	5.88	4.31
Total diluted earnings per share	5.88	4.31

Financial Statement Statements of Cash Flows

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/4th	2012/4th
Statement of cash flows		

Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	3,257,532	2,433,587
Profit (loss) before tax	3,257,532	2,433,587
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	596,008	672,130
Amortization expense	548,265	376,306
Provision (reversal of provision) for bad debt expense	10,990	4,216
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-7,342	-1,424
Interest expense	41,447	34,083
Interest income	-403,269	-251,707
Dividend income	-22,686	-20,710
Share of loss (profit) of associates and joint ventures accounted for using equity method	-90,117	-27,517
Loss (gain) on disposal of property, plant and equipment	-3,736	538
Loss (gain) on disposal of investments	-93,665	-45,356
Impairment loss on financial assets	85,000	0
Total adjustments to reconcile profit (loss)	660,895	740,559
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-10,234	-90,359
Decrease (increase) in accounts receivable	-591,912	-281,360
Decrease (increase) in accounts receivable due from related parties	-268,956	165,689
Decrease (increase) in other receivable	-53,287	-86,107
Decrease (increase) in other receivable due from related parties	886	122
Decrease (increase) in inventories	216,109	-133,339
Decrease (increase) in prepayments	4,675	31,479
Total changes in operating assets	-702,719	-393,875
Changes in operating liabilities		
Increase (decrease) in notes payable	-3,177	1,277
Increase (decrease) in accounts payable	-432,027	1,369,134
Increase (decrease) in accounts payable to related parties	91,357	-53,848
Increase (decrease) in other payable	740,213	268,568
Increase (decrease) in other payable to related parties	-905	215

Increase (decrease) in other current liabilities	-19,260	20,198
Increase (decrease) in accrued pension liabilities	-36,682	-29,559
Increase (decrease) in other operating liabilities	372,792	187,090
Total changes in operating liabilities	712,311	1,763,075
Total changes in operating assets and liabilities	9,592	1,369,200
Total adjustments	670,487	2,109,759
Cash inflow (outflow) generated from operations	3,928,019	4,543,346
Interest received	403,269	251,707
Dividends received	34,823	28,218
Interest paid	-41,447	-34,083
Income taxes refund (paid)	-66,128	-35,243
Net cash flows from (used in) operating activities	4,258,536	4,753,945
Cash flows from (used in) investing activities		
Proceeds from disposal of available-for-sale financial assets	67,400	75,612
Acquisition of bond investments without active market	-1,264,647	-114,919
Proceeds from disposal of bond investments without active market	602,278	0
Proceeds from capital reduction of financial assets at cost	9,865	11,902
Proceeds from disposal of investments accounted for using equity method	88,983	8,724
Proceeds from capital reduction of investments accounted for using equity method	22,950	27,000
Acquisition of property, plant and equipment	-421,914	-295,936
Proceeds from disposal of property, plant and equipment	5,945	0
Increase in refundable deposits	-9,254	-1,046
Acquisition of intangible assets	-686,082	-287,971
Increase in other non-current assets	-1,111,207	-1,028,291
Net cash flows from (used in) investing activities	-2,695,683	-1,604,925
Cash flows from (used in) financing activities		
Increase in short-term loans	5,104,703	-1,484,619
Increase in guarantee deposits received	96	-692
Cash dividends paid	-1,695,850	-1,131,902
Change in non-controlling interests	0	10,000
Net cash flows from (used in) financing activities	3,408,949	-2,607,213
Effect of exchange rate changes on cash and cash equivalents	354,980	-278,576
Net increase (decrease) in cash and cash equivalents	5,326,782	263,231

Cash and cash equivalents at beginning of period	11,188,839	10,925,608
Cash and cash equivalents at end of period	16,515,621	11,188,839
Cash and cash equivalents reported in the statement of financial position	16,515,621	11,188,839

Financial Statement Statements of Changes in Stockholders' Equity

Financial year: Yearly

Unit: NT\$ thousand

2013/12/31
Statement of Stockholders' Equity
Unit: NT\$ thousand

	Ordinary share	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	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	225,354	0	-225,354	0	0	0	0	0	0	0
Special reserve appropriated	0	0	0	0	359,982	-359,982	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	0	-598,535	-598,535	0	0	0	-598,535	0	-598,535
Stock dividends of ordinary share	61,718	61,718	65,881	0	0	-49,878	-49,878	0	0	0	77,721	0	77,721
Cash dividends from capital surplus	0	0	1,097,315	0	0	0	0	0	0	0	-1,097,315	0	-1,097,315
Profit (loss)	0	0	0	0	0	3,035,427	3,035,427	0	0	0	3,035,427	-98	3,035,329
Other comprehensive income	0	0	1,686	0	0	0	0	373,658	35,059	408,717	410,403	0	410,403
Total comprehensive income	0	0	1,686	0	0	3,035,427	3,035,427	373,658	35,059	408,717	3,445,830	-98	3,445,732
Total increase (decrease) in equity	61,718	61,718	1,029,748	225,354	359,982	1,801,678	2,387,014	373,658	35,059	408,717	1,827,701	-98	1,827,603

Equity at end of period	5,049,513	5,049,513	4,406,855	2,888,304	533,055	6,760,468	10,181,827	-137,358	13,020	124,338	19,513,857	9,902	19,523,759
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2012/12/31
Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	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	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	159,253	0	-159,253	0	0	0	0	0	0	0
Special reserve appropriated	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	-984,263	-984,263	0	0	0	-984,263	0	-984,263
Stock dividends of ordinary share	66,482	66,482	70,612	0	0	-49,213	-49,213	0	0	0	87,881	0	87,881
Cash dividends from capital surplus	0	0	-147,639	0	0	0	0	0	0	0	-147,639	0	-147,639
Other comprehensive income	0	0	0	0	0	7,310	7,310	-293,529	-66,453	359,982	-352,672	0	-352,672
Total comprehensive income	0	0	0	0	0	7,310	7,310	-293,529	-66,453	359,982	-352,672	0	-352,672
Changes in non-controlling interests	0	0	0	0	0	2,236,186	2,236,186	0	0	0	2,236,186	10,000	2,246,186
Total increase (decrease) in equity	66,482	66,482	-77,027	159,253	31,640	1,019,127	1,210,020	-293,529	-66,453	359,982	839,493	10,000	849,493
Equity at end of period	4,987,795	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

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	Li Tien-Yi
Name of CPA 2	Tsang Kwok-Wah
Date of Audit (Review)	2014-03-25
Type of Report	
Audit Report	Y
Type of Opinion	
Modified Unqualified Opinion	Y
Situations for not Issuing a Standard Unqualified Opinion	
Opinion Based on the Report of Another Auditor - Shared Responsibility	Y
Description of Matter Emphasized	
Description of Other Matter	
	<p>We have audited the accompanying consolidated balance sheets of Realtek Semiconductor Corporation and subsidiaries(the Company) as of December 31, 2013 and December 31 and January 1, 2012, and the related consolidated statements of income, of changes in stockholders' equity, and of cash flows for the years then ended 2013 and 2012 .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 did not audit the financial statements of certain subsidiaries and investee companies accounted for under the equity method. In addition, the information disclosed in Note 13 related to these investee companies is based solely on the reports of the other auditors. The total assets of these subsidiaries audited by other auditors were NT\$866,903 thousand, NT\$884,674 thousand and NT\$927,037 thousand, 2.54%, 3.36% and 3.65% of the total consolidated assets as of December 31, 2013 and January 1, 2013 and 2012,respectively. Their total revenues were NT\$0 thousand, 0% of the total consolidated revenues for the both years ended. In addition, the long-term investments accounted for under the equity method amounted to NT\$322,834 thousand, NT\$294,921 thousand and NT\$312,439 thousand as of December 31,</p>

Content of Independent Auditors Report

2013 and January 1, 2013 and 2012, respectively, and the related investment income were NT\$90,117 thousand and NT\$27,517 thousand for the years then ended. We conducted our audits in accordance with the Rules Governing Examination of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Those standards and rules require that we plan and perform the audits 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 statements presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion. In our opinion, based upon our audits and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and January 1, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with the Rules Governing the Preparation of Financial Statements of Securities Issuers, International Financial Reporting Standards, International Accounting Standards, Standing Interpretations Committee and Conceptual Framework for Financial Reporting. We have audited the financial statements of Realtek Semiconductor Corporation as of and for the years ended December 31, 2013 and 2012 and have expressed a modified unqualified opinion on such financial statements future. March 25, 2014