Financial Statement Balance Sheet

Finacial year: Yearly Unit: NT\$ thousand

Accounting Title	2014/03/31	2013/12/31	2013/03/31
alance Sheet	·		
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	19,364,665	16,515,621	12,742,989
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	645,571	144,773	166,930
Current bond investment without active market			
Current bond investment without active market, net	992,483	1,281,373	679,663
Accounts receivable, net			
Accounts receivable, net	2,570,216	3,124,085	2,535,762
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	914,304	932,354	721,114
Other receivables			
Other receivables, net	200,494	164,938	108,759
Other receivables due from related parties			
Other receivables due from related parties, net	0	0	(
Inventories			
Total inventories	2,945,223	2,790,862	3,258,500
Prepayments			
Total prepayments	198,749	120,241	135,532
Other current assets			
Total other current assets	1,137,757	2,147,472	803,85
Total current assets	28,969,462	27,221,719	21,153,11
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	804,212	747,116	739,80
Held-to-maturity non-current financial assets			
Non-current held-to-maturity financial assets, net	318,496	399,796	389,239

Non-current financial assets at cost			
Non-current financial assets at cost, net	995,228	978,442	1,071,270
Investments accounted for using equity method			
Investments accounted for using equity method, net	288,176	322,834	318,241
Property, plant and equipment			
Total property, plant and equipment	3,608,768	3,035,281	3,142,083
Investment property, net			
Investment property, net	80,326	82,146	82,501
Intangible assets			
Total intangible assets	1,180,423	1,257,062	1,122,463
Deferred tax assets	36,372	31,632	167,926
Other non-current assets			
Total other non-current assets	80,008	53,154	32,756
Total non-current assets	7,392,009	6,907,463	7,066,288
Total assets	36,361,471	34,129,182	28,219,403
iabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	7,049,190	6,288,505	1,983,700
Notes payable			
Total notes payable	4,962	4,282	5,491
Accounts payable			
Total accounts payable	3,377,904	2,903,789	3,466,168
Accounts payable to related parties			
Total accounts payable to related parties	344,343	345,399	306,521
Other payables			
Total other payables	3,608,928	3,903,730	2,644,640
Other payables to related parties	33,522	36,306	28,888
Current tax liabilities	160,024	82,742	153,311
Other current liabilities			
	+	29,927	25,524
Total other current liabilities	70,736	29,927	_0,0
Total other current liabilities Total current liabilities	70,736 14,649,609	13,594,680	8,614,243

Non-current provisions			
Total non-current provisions	903,117	856,557	713,765
Deferred tax liabilities			
Total deferred tax liabilities	8,871	5,770	0
Other non-current liabilities			
Total other non-current liabilities	138,580	148,416	176,421
Total non-current liabilities	1,050,568	1,010,743	890,186
Total liabilities	15,700,177	14,605,423	9,504,429
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	5,049,513	5,049,513	4,987,795
Total capital stock	5,049,513	5,049,513	4,987,795
Capital surplus			
Capital surplus, additional paid-in capital			
Total capital surplus, additional paid-in capital	4,406,855	4,406,855	5,436,603
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	0	0	0
Total capital surplus	4,406,855	4,406,855	5,436,603
Retained earnings			
Legal reserve	2,888,304	2,888,304	2,662,950
Special reserve	533,055	533,055	173,073
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	7,580,490	6,760,468	5,689,378
Total retained earnings	11,001,849	10,181,827	8,525,401
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	123,336	-137,358	-217,533
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	69,848	13,020	-27,267
Total other equity interest	193,184	-124,338	-244,800
Total equity attributable to owners of parent	20,651,401	19,513,857	18,704,999
Non-controlling interests	9,893	9,902	9,975
Total equity			

Number of share capital awaiting retirement	0	0	0
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

Finacial year: Yearly Unit: NT\$ thousand

Accounting Title	2014/01/01 To 2014/03/31	2013/01/02 To 2013/03/32	
Statement of comprehensive income			
Operating revenue			
Total operating revenue	7,325,508	6,743,689	
Operating costs			
Total operating costs	4,112,823	3,718,502	
Gross profit (loss) from operations	3,212,685	3,025,187	
Gross profit (loss) from operations	3,212,685	3,025,187	
Operating expenses			
Selling expenses			
Total selling expenses	416,992	401,00	
Administrative expenses			
Total administrative expenses	270,830	410,97	
Research and development expenses			
Total research and development expenses	1,736,850	1,540,97	
Total operating expenses	2,424,672	2,352,94	
Net other income (expenses)			
Net other income (expenses)	1,656	1,93	
Net operating income (loss)	789,669	674,17	
Non-operating income and expenses			
Other income			
Total other income	147,791	79,74	
Other gains and losses			
Other gains and losses, net	20,451	44,09	
Finance costs			

Finance costs, net	27,833	5,139
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	-18,340	22,689
Total non-operating income and expenses	122,069	141,386
Profit (loss) from continuing operations before tax	911,738	815,563
Tax expense (income)		
Total tax expense (income)	91,725	85,000
Profit (loss) from continuing operations	820,013	730,563
Profit (loss)	820,013	730,563
Other comprehensive income		
Exchange differences on translation	260,694	293,465
Unrealised gains (losses) on valuation of available-for-sale financial assets	55,281	-5,841
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	1,547	631
Other comprehensive income, net	317,522	288,255
Total comprehensive income	1,137,535	1,018,818
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	820,022	730,588
Profit (loss), attributable to non-controlling interests	-9	-25
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	1,137,544	1,018,843
Comprehensive income, attributable to non-controlling interests	-9	-25
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	1.62	1.45
Total basic earnings per share	1.62	1.45
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	1.59	1.43
Total diluted earnings per share	1.59	1.43

Financial Statement Statements of Cash Flows

Finacial year: Yearly Unit: NT\$ thousand

01/01 2013/01/01	1 2014/01/01 1 3
2013/01/01	2014/01/01 2
01/01 201	2014/01/01 2

Accounting Title	To 2014/03/31	To 2013/03/31
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	911,738	815,563
Profit (loss) before tax	911,738	815,563
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	148,092	158,114
Amortization expense	137,425	124,071
Provision (reversal of provision) for bad debt expense	-2,124	2,082
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-4,007	-1,226
Interest expense	27,833	5,113
Interest income	-121,255	-75,346
Share of loss (profit) of associates and joint ventures accounted for using equity method	18,340	-22,689
Loss (gain) on disposal of property, plan and equipment	48	44
Loss (gain) on disposal of investments	-221,708	(
Total adjustments to reconcile profit (loss)	-17,356	190,163
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-489,868	-40,202
Decrease (increase) in accounts receivable	555,993	3,002
Decrease (increase) in accounts receivable due from related parties	18,050	-55,399
Decrease (increase) in other receivable	-26,944	2,892
Decrease (increase) in other receivable due from related parties	0	880
Decrease (increase) in inventories	-154,361	-251,535
Decrease (increase) in prepayments	-78,508	-10,616
Total changes in operating assets	-175,638	-350,972
Changes in operating liabilities		
Increase (decrease) in notes payable	680	-1,968
Increase (decrease) in accounts payable	491,288	130,352
Increase (decrease) in accounts payable to related parties	-18,229	52,479
Increase (decrease) in other payable	-62,776	-448,720
Increase (decrease) in other payable to related parties	4,600	-6,513

Increase (decrease) in receipts in advance	-40,809	-21,
Increase (decrease) in other current liabilities	-12	-2
Increase (decrease) in accrued pension liabilities	-9,734	-8
Increase (decrease) in other operating liabilities	46,560	230
Total changes in operating liabilities	411,568	-76
Total changes in operating assets and liabilities	235,930	-427
Total adjustments	218,574	-237
Cash inflow (outflow) generated from operations	1,130,312	578
Interest received	112,643	75
Interest paid	-22,075	-3
Income taxes refund (paid)	0	
Net cash flows from (used in) operating activities	1,220,880	649
Cash flows from (used in) investing activities		
Proceeds from disposal of available-for-sale financial assets	0	
Acquisition of bond investments without active market	0	
Proceeds from disposal of bond investments without active market	290,478	
Acquisition of held-to-maturity financial assets	-74,903	
Proceeds from disposal of held-to-maturity financial assets	154,503	
Proceeds from capital reduction of financial assets at cost	0	
Acquisition of investments accounted for using equity method	-40,000	
Proceeds from disposal of investments accounted for using equity method	263,910	
Acquisition of property, plant and equipment	-733,044	-142
Proceeds from disposal of property, plant and equipment	0	
Increase in refundable deposits	-30,532	
Acquisition of intangible assets	-235,409	-219
Increase in other non-current assets	3,678	12
Decrease in other non-current assets	1,009,715	254
Net cash flows from (used in) investing activities	608,396	-95
Cash flows from (used in) financing activities		
Increase in short-term loans	836,422	836
Decrease in guarantee deposits received	-102	
Net cash flows from (used in) financing activities	836,320	836
Effect of exchange rate changes on cash and cash equivalents	183,448	163

Net increase (decrease) in cash and cash equivalents	2,849,044	1,554,150
Cash and cash equivalents at beginning of period	16,515,621	11,188,839
Cash and cash equivalents at end of period	19,364,665	12,742,989
Cash and cash equivalents reported in the statement of financial position	19,364,665	12,742,989

Financial Statement Statements of Changes in Stockholders' Equity

Finacial year: Yearly Unit: NT\$ thousand

2014/03/31 Statement of Stockholders' Equity

Unit: NTS 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	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
Profit (loss)	0	0	0	0	0	820,022	820,022	0	0	0	820,022	-9	820,013
Other comprehensive income	0	0	0	0	0	0	0	260,694	56,828	317,522	317,522	0	317,522
Total comprehensive income	0	0	0	0	0	820,022	820,022	260,694	56,828	317,522	1,137,544	-9	1,137,535
Total increase (decrease) in equity	0	0	0	0	0	820,022	820,022	260,694	56,828	317,522	1,137,544	-9	1,137,535
Equity at end of period	5,049,513	5,049,513	4,406,855	2,888,304	533,055	7,580,490	11,001,849	123,336	69,848	193,184	20,651,401	9,893	20,661,294

2013/03/31 Statement of Stockholders' Equity Unit: NT\$ thousand

1												
Ordinary share	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total	differences on translation	Unrealized gains (losses) on available- for-sale financial assets	Total	Total equity attributable to owners of parent	Non- controlling interests	Total equity

atement Balance Sheet													
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	0	0	0	0	0	0	0	0	0	0
Special reserve appropriated	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	0	0	0	0	0	0	0	0	0
Stock dividends of ordinary share	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash dividends from capital surplus	0	0	0	0	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0	0	293,483	-5,228	288,255	288,255	0	288,255
Total comprehensive income	0	0	0	0	0	0	0	293,483	-5,228	288,255	288,255	0	288,255
Changes in non-controlling interests	0	0	0	0	0	730,588	730,588	0	0	0	730,588	-25	730,563
Total increase (decrease) in equity	0	0	0	0	0	730,588	730,588	293,483	-5,228	288,255	1,018,843	-25	1,018,818
Equity at end of period	4,987,795	4,987,795	5,436,603	2,662,950	173,073	5,689,378	8,525,401	-217,533	-27,267	244,800	18,704,999	9,975	18,714,974

Financial Statement Independent Auditors' Report

Finacial 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)	2014-05-05			

Type of Report	
Review Report	Υ
Type of Opinion	
Qualified Opinion	Υ
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	Υ
Description of Matter Emphasized	
Description of Other Matter	
Content of Independent Auditors Report	We have reviewed the accompanying consolidated balance sheets of Realtek Semiconductor Corporati and subsidiaries (the Company) as of March 31, 201 and 2013, and the related consolidated statements comprehensive income, of changes in stockholder? equity and cash flows for the t hree-month period tended. These financial consolidated statements are responsibility of the Company??s management. Ou responsibility is to issue a review report on these financial statements based on our reviews. Except for facts stated in the third paragraph, we conducted or reviews in accordance with the guidelines of ROC Statement on Auditing Standards No.36 (ROC SAS IS6),??Reviewing Financial Statements??. Those guidelines require that we plan and perform the review hich 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 aud conducted in accordance with auditing standards generally accepted in the Republic of China and with objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, do not express such an opinion. As stated in disclos 13 related to the certain investee companies is base the investee companies financial statements without review procedures conducted by independent audit The total assets of certain subsidiaries amounted to NT\$3,942,407 thousand and NT\$2,467,481 thousand 10.84% and 8.74% of the total consolidated assets a March 31, 2014 and 2013, respectively, and the total liabilities amounted to NT\$1,035,699 thousand and NT\$276,602 thousand, or 6.60% and 2.91% of the toconsolidated liabilities as of March 31, 2014 and 20 respectively. The total revenues amounted to NT\$1,197,962 thousand and NT\$0 thousand, or 16.3 and 0% of the total consolidated revenues for three month period ended. In addition, the long-term

	investments accounted for under the equity method amounted to NT\$288,176 thousand and NT\$318,241 thousand as of March 31, 2014 and 2013, respectively, and the related investment income (loss) were NT (\$18,340) thousand and NT\$22,689 thousand for threemonth period ended. 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.
Ending balance of assets of subsidiaries whose financial statements were audited or reviewed by other independent accountants	0
Total year-to-date revenues of subsidiaries whose financial statements were audited or reviewed by other independent accountants	0
Ending balance of investments accounted for using equity method whose financial statements were audited or reviewed by other independent accountants	0
Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method which audited by other independent accountants	0
Ending balance of assets of subsidiaries whose financial statements were on unaudited or unreviewed	3942407000
Year-to-date comprehensive income of subsidiaries whose financial statements were unaudited or unreviewed	491107000
Ending balance of investments accounted for using equity method whose financial statements were unaudited or unreviewed	288176000
Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed	-18340000