

## Financial Statement Balance Sheet

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/06/30	2014/12/31	2014/06/30
<b>Balance Sheet</b>			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	22,806,346	21,608,816	17,644,299
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	1,218,190	708,358	569,266
Current bond investment without active market			
Total Current investments in debt instrument without active market	398,734	739,166	1,712,218
Accounts receivable, net			
Accounts receivable, net	2,322,596	2,682,182	3,126,295
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	814,038	984,894	1,112,102
Other receivables			
Other receivables, net	247,235	269,816	237,592
Inventories			
Total inventories	5,106,509	3,882,455	2,868,857
Prepayments			
Total prepayments	110,842	78,053	95,552
Other current assets			
Total other current assets	4,341,575	2,443,411	3,248,043
Total current assets	37,366,065	33,397,151	30,614,224
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	646,196	1,097,794	883,703
Held-to-maturity non-current financial assets			
Non-current held-to-maturity financial assets, net	691,359	409,205	312,939
Non-current financial assets at cost			
Non-current financial assets at cost, net	837,437	853,943	977,393

Investments accounted for using equity method			
Investments accounted for using equity method, net	346,733	159,803	328,555
Property, plant and equipment			
Total property, plant and equipment	3,350,926	3,368,689	3,495,667
Investment property, net			
Investment property, net	76,990	80,828	78,362
Intangible assets			
Total intangible assets	2,631,999	1,470,394	1,138,184
Deferred tax assets	126,369	150,085	80,906
Other non-current assets			
Total other non-current assets	81,440	86,686	78,612
Total non-current assets	8,789,449	7,677,427	7,374,321
Total assets	46,155,514	41,074,578	37,988,545
Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	12,289,493	7,457,525	7,003,080
Notes payable			
Total notes payable	7,258	4,654	6,982
Accounts payable			
Total accounts payable	4,168,401	4,568,045	3,452,187
Accounts payable to related parties			
Total accounts payable to related parties	233,746	320,415	379,108
Other payables			
Total other payables	8,243,465	4,983,596	6,889,685
Other payables to related parties	26,567	41,657	43,373
Current tax liabilities	234,695	380,926	194,775
Other current liabilities			
Total other current liabilities	73,456	44,217	44,509
Total current liabilities	25,277,081	17,801,035	18,013,699
Non-current liabilities			
Non-current provisions			
Total non-current provisions	1,062,616	1,021,342	915,420

Deferred tax liabilities			
Total deferred tax liabilities	9,613	27,450	7,365
Other non-current liabilities			
Total other non-current liabilities	88,886	118,595	129,001
Total non-current liabilities	1,161,115	1,167,387	1,051,786
Total liabilities	26,438,196	18,968,422	19,065,485
Equity			
Equity attributable to owners of parent			
Share capital			
Ordinary share	5,049,513	5,049,513	5,049,513
Total capital stock	5,049,513	5,049,513	5,049,513
Capital surplus			
Capital surplus, additional paid-in capital			
Total capital surplus, additional paid-in capital	4,405,169	4,405,169	4,441,956
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	0	0	0
Total capital surplus	4,405,169	4,405,169	4,441,956
Retained earnings			
Legal reserve	3,581,096	3,191,846	3,191,846
Special reserve	0	124,338	124,338
Unappropriated retained earnings (accumulated deficit)			
Total unappropriated retained earnings (accumulated deficit)	6,044,858	8,233,387	6,174,557
Total retained earnings	9,625,954	11,549,571	9,490,741
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	519,891	1,025,339	-220,846
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	107,150	66,813	151,897
Total other equity interest	627,041	1,092,152	-68,949
Total equity attributable to owners of parent	19,707,677	22,096,405	18,913,261
Non-controlling interests	9,641	9,751	9,799
Total equity	19,717,318	22,106,156	18,923,060
Total liabilities and equity	46,155,514	41,074,578	37,988,545

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

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/2nd	2014/2nd	2015/01/01 To 2015/06/30	2014/01/01 To 2014/06/30
<b>Statement of comprehensive income</b>				
Operating revenue				
Total operating revenue	7,148,073	8,075,002	14,594,125	15,400,510
Operating costs				
Total operating costs	4,167,059	4,450,786	8,325,644	8,563,609
Gross profit (loss) from operations	2,981,014	3,624,216	6,268,481	6,836,901
Gross profit (loss) from operations	2,981,014	3,624,216	6,268,481	6,836,901
Operating expenses				
Selling expenses				
Total selling expenses	379,198	439,247	765,142	856,239
Administrative expenses				
Total administrative expenses	325,414	282,891	606,188	553,721
Research and development expenses				
Total research and development expenses	2,013,505	1,999,629	4,001,809	3,736,479
Total operating expenses	2,718,117	2,721,767	5,373,139	5,146,439
Net other income (expenses)				
Net other income (expenses)	1,728	1,831	3,481	3,487
Net operating income (loss)	264,625	904,280	898,823	1,693,949
Non-operating income and expenses				
Other income				
Total other income	190,062	175,094	397,265	322,885
Other gains and losses				
Other gains and losses, net	-18,666	47,250	-18,359	67,701
Finance costs				

Finance costs, net	30,823	17,201	59,561	45,034
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	-6,904	22,446	-14,066	4,106
Total non-operating income and expenses	133,669	227,589	305,279	349,658
Profit (loss) from continuing operations before tax	398,294	1,131,869	1,204,102	2,043,607
Tax expense (income)				
Total tax expense (income)	33,423	118,314	98,121	210,039
Profit (loss) from continuing operations	364,871	1,013,555	1,105,981	1,833,568
Profit (loss)	364,871	1,013,555	1,105,981	1,833,568
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	-247,439	-344,112	-505,448	-83,418
Unrealised gains (losses) on valuation of available-for-sale financial assets	24,096	81,420	39,342	136,701
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss				
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	801	559	995	2,106
Components of other comprehensive income that will be reclassified to profit or loss	-222,542	-262,133	-465,111	55,389
Other comprehensive income, net	-222,542	-262,133	-465,111	55,389
Total comprehensive income	142,329	751,422	640,870	1,888,957
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	364,896	1,013,649	1,106,091	1,833,671
Profit (loss), attributable to non-controlling interests	-25	-94	-110	-103
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	142,354	751,516	640,980	1,889,060
Comprehensive income, attributable to non-controlling interests	-25	-94	-110	-103
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	0.72	2.01	2.19	3.63
Total basic earnings per share	0.72	2.01	2.19	3.63
Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	0.70	1.97	2.11	3.56

Total diluted earnings per share	0.70	1.97	2.11	3.56
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## Financial Statement Statements of Cash Flows

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/01/01 To 2015/06/30	2014/01/01 To 2014/06/30
<b>Statement of cash flows</b>		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	1,204,102	2,043,607
Profit (loss) before tax	1,204,102	2,043,607
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	279,575	294,270
Amortization expense	392,051	265,564
Provision (reversal of provision) for bad debt expense	-7,433	-8,655
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-15,979	-12,422
Interest expense	59,561	45,034
Interest income	-354,803	-260,221
Share of loss (profit) of associates and joint ventures accounted for using equity method	14,066	-4,106
Loss (gain) on disposal of property, plan and equipment	-1,920	153
Loss (gain) on disposal of investments	248	-249,396
Total adjustments to reconcile profit (loss)	365,366	70,221
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-521,373	-416,038
Decrease (increase) in accounts receivable	737,495	6,445
Decrease (increase) in accounts receivable due from related parties	172,349	-179,748
Decrease (increase) in other receivable	23,932	-32,924
Decrease (increase) in other receivable due from related parties	0	0
Decrease (increase) in inventories	-1,224,054	-77,995
Decrease (increase) in prepayments	-32,789	24,689
Total changes in operating assets	-844,440	-675,571

Changes in operating liabilities		
Increase (decrease) in notes payable	2,604	2,700
Increase (decrease) in accounts payable	-471,928	548,398
Increase (decrease) in accounts payable to related parties	-86,669	33,709
Increase (decrease) in other payable	-170,748	663,127
Increase (decrease) in other payable to related parties	18,280	7,067
Increase (decrease) in receipts in advance	27,964	14,592
Increase (decrease) in other current liabilities	-26,392	-10
Increase (decrease) in net defined benefit liability	-23,732	-19,488
Increase (decrease) in other operating liabilities	41,226	58,863
Total changes in operating liabilities	-689,395	1,308,958
Total changes in operating assets and liabilities	-1,533,835	633,387
Total adjustments	-1,168,469	703,608
Cash inflow (outflow) generated from operations	35,633	2,747,215
Interest received	353,462	220,491
Interest paid	-56,402	-39,922
Income taxes refund (paid)	-235,962	-130,577
Net cash flows from (used in) operating activities	96,731	2,797,207
Cash flows from (used in) investing activities		
Proceeds from disposal of available-for-sale financial assets	488,772	0
Acquisition of investments in debt instrument without active market	0	-1,037,141
Proceeds from disposal of investments in debt instrument without active market	325,681	584,560
Acquisition of held-to-maturity financial assets	-282,154	-73,442
Proceeds from disposal of held-to-maturity financial assets	0	151,490
Proceeds from capital reduction of financial assets at cost	0	0
Acquisition of investments accounted for using equity method	-200,000	-40,000
Proceeds from disposal of investments accounted for using equity method	0	325,082
Acquisition of property, plant and equipment	-266,949	-782,543
Proceeds from disposal of property, plant and equipment	2,000	0
Increase in refundable deposits	-3,468	-29,832
Acquisition of intangible assets	-637,367	-331,632
Increase in other financial assets	-1,780,663	-1,100,571
Decrease in other non-current assets	12,243	4,374
Other investing activities	-951,418	0

Net cash flows from (used in) investing activities	-3,293,323	-2,329,655
Cash flows from (used in) financing activities		
Increase in short-term loans	4,788,569	726,660
Increase in guarantee deposits received	0	72
Decrease in guarantee deposits received	-5,977	0
Net cash flows from (used in) financing activities	4,782,592	726,732
Effect of exchange rate changes on cash and cash equivalents	-388,470	-65,606
Net increase (decrease) in cash and cash equivalents	1,197,530	1,128,678
Cash and cash equivalents at beginning of period	21,608,816	16,515,621
Cash and cash equivalents at end of period	22,806,346	17,644,299
Cash and cash equivalents reported in the statement of financial position	22,806,346	17,644,299

## Financial Statement Statements of Changes in Stockholders' Equity

Financial year: Yearly

Unit: NT\$ thousand

**2015/06/30**  
**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	5,049,513	5,049,513	4,405,169	3,191,846	124,338	8,233,387	11,549,571	1,025,339	66,813	1,092,152	22,096,405	9,751	22,106,156
Legal reserve appropriated	0	0	0	389,250	0	-389,250	0	0	0	0	0	0	0
Special reserve appropriated	0	0	0	0	-124,338	124,338	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	0	-3,029,708	-3,029,708	0	0	0	-3,029,708	0	-3,029,708
Profit (loss)	0	0	0	0	0	1,106,091	1,106,091	0	0	0	1,106,091	-110	1,105,981
Other comprehensive income	0	0	0	0	0	0	0	-505,448	40,337	-465,111	-465,111	0	-465,111
Total													



comprehensive income	0	0	0	0	0	1,106,091	1,106,091	-505,448	40,337	-465,111	640,980	-110	640,870
Total increase (decrease) in equity	0	0	0	389,250	-124,338	-2,188,529	-1,923,617	-505,448	40,337	-465,111	-2,388,728	-110	-2,388,838
Equity at end of period	5,049,513	5,049,513	4,405,169	3,581,096	0	6,044,858	9,625,954	519,891	107,150	627,041	19,707,677	9,641	19,717,318

**2014/06/30**  
**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	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
Legal reserve appropriated	0	0	0	303,542	0	-303,542	0	0	0	0	0	0	0
Special reserve appropriated	0	0	0	0	-408,717	408,717	0	0	0	0	0	0	0
Cash dividends of ordinary share	0	0	0	0	0	-2,524,757	-2,524,757	0	0	0	-2,524,757	0	-2,524,757
Changes in equity of associates and joint ventures accounted for using equity method	0	0	35,101	0	0	0	0	0	0	0	35,101	0	35,101
Other comprehensive income	0	0	0	0	0	0	0	-83,488	138,877	55,389	55,389	0	55,389
Total comprehensive income	0	0	0	0	0	0	0	-83,488	138,877	55,389	55,389	0	55,389
Changes in non-controlling interests	0	0	0	0	0	1,833,671	1,833,671	0	0	0	1,833,671	-103	1,833,568
Total increase						-							

(decrease) in equity	0	0	35,101	303,542	408,717	-585,911	-691,086	-83,488	138,877	55,389	-600,596	-103	-600,699
Equity at end of period	5,049,513	5,049,513	4,441,956	3,191,846	124,338	6,174,557	9,490,741	-220,846	151,897	-68,949	18,913,261	9,799	18,923,060

## 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)	2015-07-31
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	
	<p>We have reviewed the accompanying consolidated balance sheets of Realtek Semiconductor Corporation and its subsidiaries (the Company) as of June 30, 2015 and 2014 and the related consolidated statements of comprehensive income of changes in stockholder's equity and cash flows for the six-month period then ended June 30, 2015 and 2014. 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</p>

## Content of Independent Auditors Report

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 disclosure 13 related to the certain subsidiaries and investee companies is based on their companies financial statements without review procedures conducted by independent auditors. The total assets of certain subsidiaries amounted to NT\$9,729,874 thousand and NT\$7,153,155 thousand, or 21.08% and 18.83% of the total consolidated assets as of June 30, 2015 and 2014, respectively, and the total liabilities amounted to NT\$4,120,029 thousand and NT\$2,066,531 thousand, or 15.58% and 10.84% of the total consolidated liabilities as of June 30, 2015 and 2014, respectively. The total revenues amounted to NT\$2,619,633 thousand and NT\$1,476,726 thousand and NT\$4,175,269 thousand and NT\$2,674,688 thousand, or 36.65% and 18.29% and 28.61% and 17.37% of the total consolidated revenues for three-month period ended June 30, 2015 and 2014, for six-month period ended June 30, 2015 and 2014, respectively. In addition, the long-term investments accounted for under the equity method amounted to NT\$346,733 thousand and NT\$328,555 thousand as of June 30, 2015 and 2014, respectively, and the related investment income were NT\$(6,904) thousand and NT\$22,446 thousand and NT\$(14,066) thousand and NT\$4,106 thousand for three-month period ended June 30, 2015 and 2014, for six-month period ended June 30, 2015 and 2014, respectively. 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?? endorsed by the Financial Supervisory Commission. 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

Total revenues for the quarter of subsidiaries whose financial statements were audited or reviewed by other independent accountants

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
Share of profit (loss) for the quarter of associates and joint ventures accounted for using equity method whose financial statements were audited or reviewed by other independent accountants	
Ending balance of assets of subsidiaries whose financial statements were on unaudited or unreviewed	0
Year-to-date comprehensive income of subsidiaries whose financial statements were unaudited or unreviewed	0
Comprehensive income for the quarter of subsidiaries whose financial statements were unaudited or unreviewed	
Ending balance of investments accounted for using equity method whose financial statements were unaudited or unreviewed	0
Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed	0
Share of profit (loss) for the quarter of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed	