

Financial Statement Balance Sheet

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/09/30	2014/12/31	2014/09/30
Balance Sheet			
Assets			
Current assets			
Cash and cash equivalents			
Total cash and cash equivalents	23,289,146	21,608,816	21,951,551
Current financial assets at fair value through profit or loss			
Total current financial assets at fair value through profit or loss	1,198,415	708,358	844,688
Current bond investment without active market			
Total Current investments in debt instrument without active market	186,039	739,166	1,444,427
Accounts receivable, net			
Accounts receivable, net	2,810,556	2,682,182	3,511,671
Accounts receivable due from related parties, net			
Accounts receivable due from related parties, net	791,931	984,894	1,066,594
Other receivables			
Other receivables, net	300,447	269,816	322,586
Other receivables due from related parties			
Other receivables due from related parties, net	16,306	0	11,647
Inventories			
Total inventories	4,100,863	3,882,455	2,979,351
Prepayments			
Total prepayments	189,890	78,053	86,960
Other current assets			
Total other current assets	4,365,296	2,443,411	2,364,547
Total current assets	37,248,889	33,397,151	34,584,022
Non-current assets			
Non-current available-for-sale financial assets			
Non-current available-for-sale financial assets, net	584,571	1,097,794	1,314,953
Held-to-maturity non-current financial assets			
Non-current held-to-maturity financial assets, net	740,057	409,205	346,919

Non-current financial assets at cost			
Non-current financial assets at cost, net	882,128	853,943	855,967
Investments accounted for using equity method			
Investments accounted for using equity method, net	320,261	159,803	168,370
Property, plant and equipment			
Total property, plant and equipment	3,381,738	3,368,689	3,426,008
Investment property, net			
Investment property, net	78,917	80,828	79,477
Intangible assets			
Total intangible assets	2,577,938	1,470,394	1,310,835
Deferred tax assets	133,823	150,085	140,960
Other non-current assets			
Total other non-current assets	84,599	86,686	79,823
Total non-current assets	8,784,032	7,677,427	7,723,312
Total assets	46,032,921	41,074,578	42,307,334
Liabilities and equity			
Liabilities			
Current liabilities			
Short-term borrowings			
Total short-term borrowings	11,071,457	7,457,525	8,217,785
Notes payable			
Total notes payable	5,957	4,654	6,379
Accounts payable			
Total accounts payable	2,921,660	4,568,045	3,967,448
Accounts payable to related parties			
Total accounts payable to related parties	208,336	320,415	355,054
Other payables			
Total other payables	8,339,800	4,983,596	7,457,521
Other payables to related parties	27,839	41,657	43,118
Current tax liabilities	200,305	380,926	390,361
Other current liabilities			
Total other current liabilities	100,640	44,217	73,857
Total current liabilities	22,875,994	17,801,035	20,511,523
Non-current liabilities			

Non-current provisions			
Total non-current provisions	1,173,975	1,021,342	949,625
Deferred tax liabilities			
Total deferred tax liabilities	19,837	27,450	18,246
Other non-current liabilities			
Total other non-current liabilities	375,931	118,595	127,856
Total non-current liabilities	1,569,743	1,167,387	1,095,727
Total liabilities	24,445,737	18,968,422	21,607,250
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	4,405,168	4,405,168	4,405,168
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	0	0	0
Total capital surplus	4,405,168	4,405,168	4,405,168
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)	6,644,783	8,233,388	7,678,541
Total retained earnings	10,225,879	11,549,572	10,994,725
Other equity interest			
Exchange differences on translation of foreign financial statements			
Total exchange differences on translation of foreign financial statements	1,861,845	1,025,339	148,680
Unrealized gains (losses) on available-for-sale financial assets			
Total unrealized gains (losses) on available-for-sale financial assets	35,159	66,813	92,222
Total other equity interest	1,897,004	1,092,152	240,902
Total equity attributable to owners of parent	21,577,564	22,096,405	20,690,308
Non-controlling interests	9,620	9,751	9,776

Total equity	21,587,184	22,106,156	20,700,084
Total liabilities and equity	46,032,921	41,074,578	42,307,334
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	2015/3rd	2014/3rd	2015/01/01 To 2015/09/30	2014/01/01 To 2014/09/30
Statement of comprehensive income				
Operating revenue				
Total operating revenue	7,911,458	8,300,440	22,505,583	23,700,950
Operating costs				
Total operating costs	4,583,276	4,686,633	12,908,920	13,250,242
Gross profit (loss) from operations	3,328,182	3,613,807	9,596,663	10,450,708
Gross profit (loss) from operations	3,328,182	3,613,807	9,596,663	10,450,708
Operating expenses				
Selling expenses				
Total selling expenses	426,036	492,478	1,191,178	1,348,717
Administrative expenses				
Total administrative expenses	348,656	341,818	954,844	895,539
Research and development expenses				
Total research and development expenses	2,323,046	2,080,511	6,324,855	5,816,990
Total operating expenses	3,097,738	2,914,807	8,470,877	8,061,246
Net other income (expenses)				
Net other income (expenses)	1,769	1,626	5,250	5,113
Net operating income (loss)	232,213	700,626	1,131,036	2,394,575
Non-operating income and expenses				
Other income				
Total other income	229,643	227,862	626,908	550,747
Other gains and losses				

Other gains and losses, net	206,102	779,823	187,743	847,524
Finance costs				
Finance costs, net	29,515	19,717	89,076	64,751
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	-5,214	-1,126	-19,280	2,980
Total non-operating income and expenses	401,016	986,842	706,295	1,336,500
Profit (loss) from continuing operations before tax	633,229	1,687,468	1,837,331	3,731,075
Tax expense (income)				
Total tax expense (income)	33,326	183,506	131,447	393,545
Profit (loss) from continuing operations	599,903	1,503,962	1,705,884	3,337,530
Profit (loss)	599,903	1,503,962	1,705,884	3,337,530
Other comprehensive income				
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	1,341,954	369,493	836,506	286,075
Unrealised gains (losses) on valuation of available-for-sale financial assets	-68,291	-59,281	-28,949	77,420
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	-3,700	-361	-2,705	1,745
Components of other comprehensive income that will be reclassified to profit or loss	1,269,963	309,851	804,852	365,240
Other comprehensive income, net	1,269,963	309,851	804,852	365,240
Total comprehensive income	1,869,866	1,813,813	2,510,736	3,702,770
Profit (loss), attributable to:				
Profit (loss), attributable to owners of parent	599,924	1,503,985	1,706,015	3,337,656
Profit (loss), attributable to non-controlling interests	-21	-23	-131	-126
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	1,869,887	1,813,836	2,510,867	3,702,896
Comprehensive income, attributable to non-controlling interests	-21	-23	-131	-126
Basic earnings per share				
Basic earnings (loss) per share from continuing operations	1.19	2.98	3.38	6.61
Total basic earnings per share	1.19	2.98	3.38	6.61

Diluted earnings per share				
Diluted earnings (loss) per share from continuing operations	1.13	2.93	3.19	6.47
Total diluted earnings per share	1.13	2.93	3.19	6.47

Financial Statement Statements of Cash Flows

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/01/01 To 2015/09/30	2014/01/01 To 2014/09/30
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	1,837,331	3,731,075
Profit (loss) before tax	1,837,331	3,731,075
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	423,394	437,069
Amortization expense	607,159	408,689
Provision (reversal of provision) for bad debt expense	-3,344	-5,862
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-26,589	-21,402
Interest expense	89,076	56,093
Interest income	-510,531	-414,891
Dividend income	-21,563	-27,230
Share of loss (profit) of associates and joint ventures accounted for using equity method	19,280	-2,980
Loss (gain) on disposal of property, plan and equipment	-1,929	158
Loss (gain) on disposal of investments	1,170	-1,083,612
Impairment loss on financial assets	0	135,246
Total adjustments to reconcile profit (loss)	576,123	-518,722
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-418,063	-669,160
Decrease (increase) in accounts receivable	246,940	-381,724
Decrease (increase) in accounts receivable due from related parties	192,963	-134,240
Decrease (increase) in other receivable	-68,301	-80,799

Decrease (increase) in other receivable due from related parties	0	0
Decrease (increase) in inventories	-218,408	-188,489
Decrease (increase) in prepayments	-111,837	33,281
Total changes in operating assets	-376,706	-1,421,131
Changes in operating liabilities		
Increase (decrease) in notes payable	1,303	2,097
Increase (decrease) in accounts payable	-1,718,668	1,063,659
Increase (decrease) in accounts payable to related parties	-112,080	9,655
Increase (decrease) in other payable	252,983	1,277,447
Increase (decrease) in other payable to related parties	-13,818	7,067
Increase (decrease) in receipts in advance	26,163	36,764
Increase (decrease) in other current liabilities	3,764	7,166
Increase (decrease) in net defined benefit liability	-36,630	-29,777
Increase (decrease) in other operating liabilities	152,633	93,068
Total changes in operating liabilities	-1,444,350	2,467,146
Total changes in operating assets and liabilities	-1,821,056	1,046,015
Total adjustments	-1,244,933	527,293
Cash inflow (outflow) generated from operations	592,398	4,258,368
Interest received	531,906	326,395
Dividends received	5,257	27,052
Interest paid	-87,847	-64,751
Income taxes refund (paid)	-312,334	-176,746
Net cash flows from (used in) operating activities	729,380	4,370,318
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	-1,263,293
Proceeds from disposal of investments in debt instrument without active market	567,402	1,109,789
Acquisition of held-to-maturity financial assets	-307,412	-347,235
Proceeds from disposal of held-to-maturity financial assets	0	401,571
Proceeds from disposal of financial assets at cost	435	0
Proceeds from capital reduction of financial assets at cost	6,373	0
Acquisition of investments accounted for using equity method	-200,000	-100,000
Proceeds from disposal of investments accounted for using equity method	0	827,890
Proceeds from capital reduction of investments accounted for using equity method	17,557	13,005

Acquisition of property, plant and equipment	-362,027	-820,750
Proceeds from disposal of property, plant and equipment	2,000	0
Increase in refundable deposits	-5,703	-29,939
Acquisition of intangible assets	-700,947	-669,606
Increase in other non-current assets	-1,804,385	-217,075
Decrease in other non-current assets	11,319	3,270
Other investing activities	-951,418	0
Net cash flows from (used in) investing activities	-3,238,034	-1,092,373
Cash flows from (used in) financing activities		
Increase in short-term loans	3,534,470	1,979,933
Increase in guarantee deposits received	0	9,217
Decrease in guarantee deposits received	-4,186	0
Net cash flows from (used in) financing activities	3,530,284	1,989,150
Effect of exchange rate changes on cash and cash equivalents	658,700	168,835
Net increase (decrease) in cash and cash equivalents	1,680,330	5,435,930
Cash and cash equivalents at beginning of period	21,608,816	16,515,621
Cash and cash equivalents at end of period	23,289,146	21,951,551
Cash and cash equivalents reported in the statement of financial position	23,289,146	21,951,551

Financial Statement Statements of Changes in Stockholders' Equity

Financial year: Yearly

Unit: NT\$ thousand

2015/09/30
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	4,405,168	3,191,846	124,338	8,233,388	11,549,572	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
Cash dividends of ordinary	0	0	0	0	0	-3,029,708	-3,029,708	0	0	0	-3,029,708	0	-3,029,708

share														
Reversal of special reserve	0	0	0	0	-124,338	124,338	0	0	0	0	0	0	0	0
Profit (loss)	0	0	0	0	0	1,706,015	1,706,015	0	0	0	1,706,015	-131	1,705,884	
Other comprehensive income	0	0	0	0	0	0	0	836,506	-31,654	804,852	804,852	0	804,852	
Total comprehensive income	0	0	0	0	0	1,706,015	1,706,015	836,506	-31,654	804,852	2,510,867	-131	2,510,736	
Total increase (decrease) in equity	0	0	0	389,250	-124,338	-1,588,605	-1,323,693	836,506	-31,654	804,852	-518,841	-131	-518,972	
Equity at end of period	5,049,513	5,049,513	4,405,168	3,581,096	0	6,644,783	10,225,879	1,861,845	35,159	1,897,004	21,577,564	9,620	21,587,184	

2014/09/30
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
Cash dividends of ordinary share	0	0	0	0	0	-2,524,758	-2,524,758	0	0	0	-2,524,758	0	-2,524,758
Reversal of special reserve	0	0	0	0	-408,717	408,717	0	0	0	0	0	0	0
Changes in equity of associates and joint ventures accounted for using equity method	0	0	-1,687	0	0	0	0	0	0	0	-1,687	0	-1,687
Other comprehensive income	0	0	0	0	0	0	0	286,038	79,202	365,240	365,240	0	365,240

Total comprehensive income	0	0	0	0	0	0	0	286,038	79,202	365,240	365,240	0	365,240
Changes in non-controlling interests	0	0	0	0	0	3,337,656	3,337,656	0	0	0	3,337,656	-126	3,337,530
Total increase (decrease) in equity	0	0	-1,687	303,542	408,717	918,073	812,898	286,038	79,202	365,240	1,176,451	-126	1,176,325
Equity at end of period	5,049,513	5,049,513	4,405,168	3,191,846	124,338	7,678,541	10,994,725	148,680	92,222	240,902	20,690,308	9,776	20,700,084

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)	2015-11-09
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 its subsidiaries (the Company) as of September 30, 2015 and 2014 and the related consolidated statements of comprehensive income, of changes in stockholder's equity and of cash flows for the nine-month period then ended September 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

Content of Independent Auditors Report

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 disclosure 13 related to the non-major subsidiaries and investee companies is based on their companies financial statements without review procedures conducted by independent auditors. The total assets of non-major subsidiaries amounted to NT\$10,523,016 thousand and NT\$5,507,932 thousand, or 22.86% and 13.02% of the total consolidated assets as of September 30, 2015 and 2014, respectively, and the total liabilities amounted to NT\$2,823,314 thousand and NT\$2,554,929 thousand, or 11.55% and 11.82% of the total consolidated liabilities as of September 30, 2015 and 2014, respectively. The total revenues amounted to NT\$1,759,003 thousand and NT\$2,191,344 thousand and NT\$5,934,272 thousand and NT\$4,810,977 thousand, or 22.23% and 31.56% and 26.37% and 20.30% of the total consolidated revenues for three-month period ended September 30, 2015 and 2014, for nine-month period ended September 30, 2015 and 2014, respectively. In addition, the long-term investments accounted for under the equity method amounted to NT\$320,261 thousand and NT\$168,370 thousand as of September 30, 2015 and 2014, respectively, and the related investment income (loss) were NT\$(5,214) thousand and NT\$(1,126) thousand and NT\$(19,280) thousand and NT\$2,980 thousand for three-month period ended September 30, 2015 and 2014, for nine-month period ended September 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	10523016000
Year-to-date comprehensive income of subsidiaries whose financial statements were unaudited or unreviewed	1205577000
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	320261000
Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed	-19280000
Share of profit (loss) for the quarter of associates and joint ventures accounted for using equity method whose financial statements were unaudited or unreviewed	