

Financial Statement Balance Sheet

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/12/31	2014/12/31
Balance Sheet		
Assets		
Current assets		
Cash and cash equivalents		
Total cash and cash equivalents	27,545,845	21,608,816
Current financial assets at fair value through profit or loss		
Total current financial assets at fair value through profit or loss	992,292	708,358
Current bond investment without active market		
Total Current investments in debt instrument without active market	0	739,166
Accounts receivable, net		
Accounts receivable, net	2,699,016	2,682,182
Accounts receivable due from related parties, net		
Accounts receivable due from related parties, net	1,132,558	984,894
Other receivables		
Other receivables, net	325,533	269,816
Inventories		
Total inventories	3,248,294	3,882,455
Prepayments		
Total prepayments	193,446	78,053
Other current assets		
Total other current assets	1,419,703	2,443,411
Total current assets	37,556,687	33,397,151
Non-current assets		
Non-current available-for-sale financial assets		
Non-current available-for-sale financial assets, net	676,006	1,097,794
Held-to-maturity non-current financial assets		
Non-current held-to-maturity financial assets, net	1,426,484	409,205
Non-current financial assets at cost		
Non-current financial assets at cost, net	512,025	853,943

Investments accounted for using equity method		
Investments accounted for using equity method, net	319,319	159,803
Property, plant and equipment		
Total property, plant and equipment	3,380,051	3,368,689
Investment property, net		
Investment property, net	75,983	80,828
Intangible assets		
Total intangible assets	2,819,814	1,470,394
Deferred tax assets	97,488	150,085
Other non-current assets		
Total other non-current assets	83,591	86,686
Total non-current assets	9,390,761	7,677,427
Total assets	46,947,448	41,074,578
Liabilities and equity		
Liabilities		
Current liabilities		
Short-term borrowings		
Total short-term borrowings	13,501,240	7,457,525
Notes payable		
Total notes payable	4,798	4,654
Accounts payable		
Total accounts payable	3,851,196	4,568,045
Accounts payable to related parties		
Total accounts payable to related parties	234,312	320,415
Other payables		
Total other payables	5,425,187	4,983,596
Other payables to related parties	54,121	41,657
Current tax liabilities	245,005	380,926
Other current liabilities		
Total other current liabilities	432,782	44,217
Total current liabilities	23,748,641	17,801,035
Non-current liabilities		
Non-current provisions		
Total non-current provisions	836,889	1,021,342

Deferred tax liabilities		
Total deferred tax liabilities	7,810	27,450
Other non-current liabilities		
Total other non-current liabilities	64,227	118,595
Total non-current liabilities	908,926	1,167,387
Total liabilities	24,657,567	18,968,422
Equity		
Equity attributable to owners of parent		
Share capital		
Ordinary share	5,049,513	5,049,513
Total capital stock	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
Capital surplus, changes in equity of associates and joint ventures accounted for using equity method	0	0
Total capital surplus	4,405,169	4,405,169
Retained earnings		
Legal reserve	3,581,096	3,191,846
Special reserve	0	124,338
Unappropriated retained earnings (accumulated deficit)		
Total unappropriated retained earnings (accumulated deficit)	7,366,766	8,233,387
Total retained earnings	10,947,862	11,549,571
Other equity interest		
Exchange differences on translation of foreign financial statements		
Total exchange differences on translation of foreign financial statements	1,726,645	1,025,339
Unrealized gains (losses) on available-for-sale financial assets		
Total unrealized gains (losses) on available-for-sale financial assets	151,067	66,813
Total other equity interest	1,877,712	1,092,152
Total equity attributable to owners of parent	22,280,256	22,096,405
Non-controlling interests	9,625	9,751
Total equity	22,289,881	22,106,156
Total liabilities and equity	46,947,448	41,074,578
Number of share capital awaiting retirement	0	0

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

Financial Statement Income Statement

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/4th	2014/4th
Statement of comprehensive income		
Operating revenue		
Total operating revenue	31,745,809	31,263,298
Operating costs		
Total operating costs	18,155,444	17,611,437
Gross profit (loss) from operations	13,590,365	13,651,861
Gross profit (loss) from operations	13,590,365	13,651,861
Operating expenses		
Selling expenses		
Total selling expenses	1,647,352	1,805,815
Administrative expenses		
Total administrative expenses	1,228,100	1,177,460
Research and development expenses		
Total research and development expenses	8,901,884	7,857,955
Total operating expenses	11,777,336	10,841,230
Net other income (expenses)		
Net other income (expenses)	7,076	6,834
Net operating income (loss)	1,820,105	2,817,465
Non-operating income and expenses		
Other income		
Total other income	839,519	725,212
Other gains and losses		
Other gains and losses, net	107,619	836,860
Finance costs		
Finance costs, net	123,300	88,111
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	-21,209	-5,284

Total non-operating income and expenses	802,629	1,468,677
Profit (loss) from continuing operations before tax	2,622,734	4,286,142
Tax expense (income)		
Total tax expense (income)	194,861	393,791
Profit (loss) from continuing operations	2,427,873	3,892,351
Profit (loss)	2,427,873	3,892,351
Other comprehensive income		
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation	701,306	1,162,734
Unrealised gains (losses) on valuation of available-for-sale financial assets	85,973	52,315
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	-1,719	1,441
Components of other comprehensive income that will be reclassified to profit or loss	785,560	1,216,490
Other comprehensive income, net	785,560	1,216,490
Total comprehensive income	3,213,433	5,108,841
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	2,427,999	3,892,502
Profit (loss), attributable to non-controlling interests	-126	-151
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	3,213,559	5,108,992
Comprehensive income, attributable to non-controlling interests	-126	-151
Basic earnings per share		
Basic earnings (loss) per share from continuing operations	4.81	7.71
Total basic earnings per share	4.81	7.71
Diluted earnings per share		
Diluted earnings (loss) per share from continuing operations	4.60	7.46
Total diluted earnings per share	4.60	7.46

Financial Statement Statements of Cash Flows

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2015/4th	2014/4th
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Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	2,622,734	4,286,142
Profit (loss) before tax	2,622,734	4,286,142
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	561,061	571,734
Amortization expense	886,552	563,952
Provision (reversal of provision) for bad debt expense	5,970	-11,727
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-33,939	-30,668
Interest expense	123,300	88,111
Interest income	-658,993	-563,576
Dividend income	-21,563	-27,230
Share of loss (profit) of associates and joint ventures accounted for using equity method	21,209	5,284
Loss (gain) on disposal of property, plan and equipment	-764	-391
Loss (gain) on disposal of investments	6,798	-1,095,958
Impairment loss on financial assets	0	135,246
Total adjustments to reconcile profit (loss)	889,631	-365,223
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	-197,047	-502,077
Decrease (increase) in accounts receivable	351,223	451,970
Decrease (increase) in accounts receivable due from related parties	-149,721	-50,880
Decrease (increase) in other receivable	-103,105	-7,105
Decrease (increase) in other receivable due from related parties	0	0
Decrease (increase) in inventories	634,161	-1,091,593
Decrease (increase) in prepayments	-109,400	42,188
Total changes in operating assets	426,111	-1,157,497
Changes in operating liabilities		
Increase (decrease) in notes payable	145	372
Increase (decrease) in accounts payable	-789,133	1,664,256
Increase (decrease) in accounts payable to related parties	-86,104	-24,984
Increase (decrease) in other payable	32,517	1,131,230
Increase (decrease) in other payable to related parties	12,464	-5,351

Increase (decrease) in provisions	-184,453	164,785
Increase (decrease) in other current liabilities	45,893	14,290
Increase (decrease) in net defined benefit liability	-50,125	-40,447
Total changes in operating liabilities	-1,018,796	2,904,151
Total changes in operating assets and liabilities	-592,685	1,746,654
Total adjustments	296,946	1,381,431
Cash inflow (outflow) generated from operations	2,919,680	5,667,573
Interest received	706,392	465,803
Dividends received	21,563	38,699
Interest paid	-117,188	-89,207
Income taxes refund (paid)	-303,818	-192,379
Net cash flows from (used in) operating activities	3,226,629	5,890,489
Cash flows from (used in) investing activities		
Proceeds from disposal of available-for-sale financial assets	506,250	232,782
Acquisition of investments in debt instrument without active market	0	-1,506,554
Proceeds from disposal of investments in debt instrument without active market	736,169	2,128,644
Acquisition of held-to-maturity financial assets	-1,054,169	-404,726
Proceeds from disposal of held-to-maturity financial assets	20,854	418,486
Proceeds from disposal of financial assets at cost	368,524	10,449
Proceeds from capital reduction of financial assets at cost	6,808	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
Net cash flow from acquisition of subsidiaries	-951,418	0
Proceeds from capital reduction of investments accounted for using equity method	17,557	13,005
Acquisition of property, plant and equipment	-550,895	-824,898
Proceeds from disposal of property, plant and equipment	2,000	730
Increase in refundable deposits	-5,459	-33,218
Acquisition of intangible assets	-920,574	-855,440
Increase in other non-current assets	1,153,291	-296,292
Net cash flows from (used in) investing activities	-871,062	-389,142
Cash flows from (used in) financing activities		
Increase in short-term loans	6,043,715	1,228,125
Decrease in guarantee deposits received	-4,243	10,626
Cash dividends paid	-3,029,708	-2,524,758

Net cash flows from (used in) financing activities	3,009,764	-1,286,007
Effect of exchange rate changes on cash and cash equivalents	571,698	877,855
Net increase (decrease) in cash and cash equivalents	5,937,029	5,093,195
Cash and cash equivalents at beginning of period	21,608,816	16,515,621
Cash and cash equivalents at end of period	27,545,845	21,608,816
Cash and cash equivalents reported in the statement of financial position	27,545,845	21,608,816

Financial Statement Statements of Changes in Stockholders' Equity

Financial year: Yearly

Unit: NT\$ thousand

2015/12/31 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	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
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
Reversal of special reserve	0	0	0	0	-124,338	124,338	0	0	0	0	0	0	0
Profit (loss)	0	0	0	0	0	2,427,999	2,427,999	0	0	0	2,427,999	-126	2,427,873
Other comprehensive income	0	0	0	0	0	0	0	701,306	84,254	785,560	785,560	0	785,560
Total comprehensive income	0	0	0	0	0	2,427,999	2,427,999	701,306	84,254	785,560	3,213,559	-126	3,213,433
Total increase (decrease) in equity	0	0	0	389,250	-124,338	-866,621	-601,709	701,306	84,254	785,560	183,851	-126	183,725
Equity at end of period	5,049,513	5,049,513	4,405,169	3,581,096	0	7,366,766	10,947,862	1,726,645	151,067	1,877,712	22,280,256	9,625	22,289,881

2014/12/31
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	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
Stock dividends of ordinary share	0	0	0	0	0	0	0	0	0	0	0	0	0
Reversal of special reserve	0	0	0	0	-408,717	408,717	0	0	0	0	0	0	0
Profit (loss)	0	0	0	0	0	3,892,502	3,892,502	0	0	0	3,892,502	-151	3,892,351
Other comprehensive income	0	0	-1,686	0	0	0	0	1,162,697	53,793	1,216,490	1,214,804	0	1,214,804
Total comprehensive income	0	0	-1,686	0	0	3,892,502	3,892,502	1,162,697	53,793	1,216,490	5,107,306	-151	5,107,155
Total increase (decrease) in equity	0	0	-1,686	303,542	408,717	1,472,919	1,367,744	1,162,697	53,793	1,216,490	2,582,548	-151	2,582,397
Equity at end 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

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)	2016-03-18
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	
Content of Independent Auditors Report	<p>We have audited the accompanying consolidated balance sheets of Realtek Semiconductor Corporation and its subsidiaries as of December 31, 2015 and 2014 and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2015 and 2014. 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 investees accounted for using equity method. Therefore, the information disclosed in Note 13 related to these investee companies is based solely on the reports of the other auditors. These subsidiaries held assets of NT\$6,086,012 thousand and NT\$657,921 thousand, 12.96% and 1.60% of the total consolidated assets as of December 31, 2015 and 2014 respectively, and generated net operating revenue of NT\$8,130,339 thousand and \$0 thousand, 25.61% and 0% of the total consolidated revenues for the years ended December 31, 2015 and 2014, respectively. The balance of these investments accounted for using equity method amounted to NT\$319,319 thousand and NT\$159,803 thousand as of December 31, 2015 and 2014, respectively, and the related investment loss were NT\$21,209 thousand and NT\$5,284 thousand for the years then ended respectively. We conducted our audits in accordance with the Regulations Governing the Auditing and attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting</p>

	<p>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 statement presentation. We believe that our audits provide a reasonable basis for our opinion. In our opinion, based on our audits and the report of other independent accountants, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Realtek Semiconductor Corporation and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years ended December 31, 2015 and 2014 in conformity with the ?? Rules Governing the Preparations of Financial Statements by Securities Issuers?? and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission. We have also audited the parent company only financial statements of Realtek Semiconductor Corp. as of the years ended December 31, 2015 and 2014. In our report dated March 18, 2016, we expressed an modified unqualified opinion on these financial statements PricewaterhouseCoopers, Taiwan March 18, 2016</p>
Ending balance of assets of subsidiaries whose financial statements were audited or reviewed by other independent accountants	6086012000
Total year-to-date revenues of subsidiaries whose financial statements were audited or reviewed by other independent accountants	8130339000
Ending balance of investments accounted for using equity method whose financial statements were audited or reviewed by other independent accountants	319319000
Share of year-to-date profit (loss) of associates and joint ventures accounted for using equity method which audited by other independent accountants	21209000
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
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