

TSE: 4906

Gemtek Technology Co., Ltd.

Quarterly Financial Report
Quarter 3 of 2007

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Gemtek Technology Co., Ltd.
Balance Sheet
September 30 of 2006 & 2007
(Reviewed but Un-audited)

Units: NT\$'000

Code	Assets	September 30, 2007		September 30, 2006		Code	Liabilities & Stockholders' Equity	September 30, 2007		September 30, 2006	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current Assets						Current Liabilities				
1100	Cash & Cash Equivalents	\$ 1,862,760	16	\$ 1,727,163	16	2100	Short-term Loans	\$ -	-	\$ 231,700	2
1320	Marketable Securities	544,806	5	-	-	2120	Notes Payable	94,234	1	539,465	5
1140	Account Receivable (Net)	2,482,188	21	3,138,745	29	2140	Accounts Payable	1,730,722	15	1,699,648	16
1180	Other Receivables—related parties	1,983,069	17	1,433,718	13	2170	Expense Payable	269,238	2	125,759	1
1210	Inventory	721,185	6	1,215,897	11	2210	Other Payables	598,972	5	230,835	2
1298	Other Current Assets	192,053	2	181,371	1	2270	Long-term liabilities—current portion	-	-	10,197	-
11XX	Total Current Assets	<u>7,786,061</u>	<u>67</u>	<u>7,696,894</u>	<u>70</u>	2298	Other Current Liabilities	473,473	4	211,045	2
	Funds & Long-term Investments					21XX	Total Current Liabilities	<u>3,166,639</u>	<u>27</u>	<u>3,048,649</u>	<u>28</u>
1421	Long-term investment accounted for under equity method	2,428,753	21	1,342,958	12	2410	Long-Term liabilities				
1425	Prepaid long-term investments	29,817	-	387,848	4		Bonds Payable	733,090	6	1,297,052	12
1480	Long-term investments accounted for under cost method	46,873	1	82,645	1	28XX	Other Liabilities	89,634	1	6,241	-
14XX	Total Funds & long-term investments	<u>2,505,443</u>	<u>22</u>	<u>1,813,451</u>	<u>17</u>						
	Property, plant & Equipment					2XXX	Total Liabilities	<u>3,989,363</u>	<u>34</u>	<u>4,351,942</u>	<u>40</u>
	Cost						Stockholders' Equity				
1501	Land	328,168	3	328,168	3		Capital				
1521	Buildings	667,721	5	666,135	6	3110	Common Stock	2,411,851	21	1,858,081	17
1531	Machinery & Equipment	483,926	4	481,974	4	3150	Distributable Stock dividends	-	-	230,135	2
1681	Other Equipment	228,844	2	177,234	2	32XX	Capital Reserve	3,877,320	33	3,421,997	31
15X1	Total at Cost	1,708,659	14	1,653,511	15		Retained Earnings				
15X9	Less: Accumulated Depreciation	(489,204)	(4)	(368,583)	(3)	3310	Legal Reserve	355,322	3	269,208	3
1670	Add: Construction in progress & prepayments	59	-	1,726	-	3351	Un-appropriated Earnings	918,564	8	780,388	7
15XX	Property, plant & Equipment Net	<u>1,219,514</u>	<u>10</u>	<u>1,286,654</u>	<u>12</u>		Adjusting Items in stockholders' equity				
	Other Assets					3420	Cumulative translation adjustments	72,103	1	39,042	-
18XX	Other Assets	118,311	1	153,794	1	3450	Financial Product pending gain/loss	4,806	-	-	-
1XXX	Total Assets	<u>\$ 11,629,329</u>	<u>100</u>	<u>\$ 10,950,793</u>	<u>100</u>	3XXX	Total Stockholders' Equity	<u>7,639,966</u>	<u>66</u>	<u>6,598,851</u>	<u>60</u>
							Total Liabilities & Stockholders' equity	<u>\$11,629,329</u>	<u>100</u>	<u>\$10,950,793</u>	<u>100</u>

Chairman : Chen, Hung Wen

Executive: Chen, Hung Wen

Accounting Officer : Lin, Chih Hung

Gemtek Technology Co., Ltd
Income Statement

For the quarter ended September 30 of 2007 and 2006

(Reviewed but Un-audited)

Unit: NT\$'000, EPS in NT\$1

Code		Quarter 3, 2007		Quarter 3, 2006	
		Amount	%	Amount	%
4000	Sales Revenue	\$ 9,216,463	100	\$ 9,449,475	100
5000	Operating Cost	(7,709,420)	(84)	(8,384,306)	(89)
5910	Gross Profit	<u>1,507,043</u>	<u>16</u>	<u>1,065,169</u>	<u>11</u>
	Operating Expenses				
6100	Sales & marketing expense	(97,983)	(1)	(127,988)	(1)
6200	Administration Expense	(119,514)	(1)	(109,674)	(1)
6300	R&D Expense	(362,268)	(4)	(263,281)	(3)
6000	Sub Total	(579,765)	(6)	(500,943)	(5)
6900	Operating Income	<u>927,278</u>	<u>10</u>	<u>564,226</u>	<u>6</u>
	Non-Operating Income				
7110	Interest Revenue	23,210	-	12,960	-
7121	Investment income recognized under equity method	68,946	1	275,982	3
7130	Gains from Disposal of Fixed Assets	4,359	-	1,607	-
7140	Gain on disposal of investments	3,435	-	513	-
7160	Foreign exchange gain	33,835	1	41,712	1
7480	Other Income	<u>17,352</u>	<u>-</u>	<u>12,566</u>	<u>-</u>
7100	Sub Total	<u>151,137</u>	<u>2</u>	<u>345,340</u>	<u>4</u>
	Non-Operating Expenses				
7510	Interest expense	(28,552)	(1)	(36,727)	(1)
7522	Other Investment Losses	(6,873)	-	-	-
7530	Loss from Disposal of Fixed Assets	74	-	-	-
7650	Financial Product Appropriated Loss	5082	-	-	-
7880	Other Expenses	(775)	-	(18,416)	-
7500	Sub Total	(41,356)	(1)	(55,143)	(1)

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<u>Code</u>		<u>Quarter 3 of 2007</u>		<u>Quarter 3 of 2006</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
7900	Net Profit Before Tax	\$ 1,037,059	11	\$ 854,423	9
8110	Tax gains (expense)	<u>(125,292)</u>	<u>(1)</u>	<u>(101,171)</u>	<u>1</u>
9600	Net Profit after Tax	<u>\$ 911,767</u>	<u>10</u>	<u>\$ 753,252</u>	<u>8</u>
<u>Code</u>		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
9750	Base EPS	<u>\$ 4.38</u>	<u>\$ 3.85</u>	<u>\$ 3.83</u>	<u>\$ 3.38</u>
9850	Diluted EPS	<u>\$ 4.06</u>	<u>\$ 3.56</u>	<u>\$ 3.71</u>	<u>\$ 3.26</u>

Chairman: Chen, Hung Wen Executive: Chen Hung Wen Accounting Officer : C.H Lin

Gemtek Technology Co., Ltd
Statement of Cash Flows
For the period ended September 30 of 2007 and 2006
(Reviewed, but Un-Audited)

Unit: NT\$'000

	Quarter 3 of 2007	Quarter 3 of 2006
	Amount	Amount
Cash flows from operating activities		
Net income	\$ 911,767	\$ 753,252
Bad Debt Expense	-	11,000
Depreciation	133,381	145,733
Loss on Inventory Write Off	-	18,416
Investment Gain under equity Method	(68,946)	(275,982)
Gains from Disposal of Inventory	(3,357)	(513)
Gains from Disposal of Fixed Assets	(4,286)	(1,606)
Other Investment Losses	6,873	-
Interest Subsidies	28,552	8,110
Financial Product appropriated loss	1,977	-
Deferred Income Tax Asset	23,423	33,806
Changes in assets & Liabilities		
Accounts Receivable	191,554	(456,509)
Other receivables—related parties	(387,510)	91,653
Inventory	235,024	(93,884)
Other current assets	69,099	25,320
Notes Payable	(147,316)	166,114
Expense Payable	52,858	(26,397)
Other current liabilities	222,180	163,033
Others	43	2,671
Net cash from Operating Activities	1,265,316	564,217
Cash flows from investing activities		
Decrease(Increase) Marketable Securities	(1,060,000)	(280,000)
Decrease(Increase) Other Financial Assets	523,435	280,513
Acquisition of Long Term Investments	(371,205)	(387,848)
Disposal of Long Term Investments	25,897	-
Acquisition of property, plant & equipments	(61,511)	(94,128)
Proceeds from disposal of fix assets	19,962	6,639

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	<u>Quarter 3, 2007</u>	<u>Quarter 3, 2007</u>
	<u>Amount</u>	<u>Amount</u>
Decrease(increase) Other Assets	(<u>7,176</u>)	(<u>49,430</u>)
Net Cash used in Investing activities	(<u>930,598</u>)	(<u>524,254</u>)
Cash flows from financing activities		
Issuance of Payable Bonds	\$ -	\$ 1,637,565
Increase(decrease) short-term loan	-	(<u>1,027,443</u>)
Cost of Treasury Stock Buyback	(<u>232,359</u>)	-
Gains from Treasury Stock Sale	232,346	-
Bonus for Employees	(<u>35,595</u>)	(<u>20,050</u>)
Cash flow in(out) from financing Activities	(<u>35,608</u>)	590,072
Net increase in cash and cash equivalents	\$ 299,110	\$ 630,035
Cash & Cash equivalent at beginning of year	<u>1,563,650</u>	<u>1,097,128</u>
Cash & Cash equivalent at end of year	<u>\$ 1,862,760</u>	<u>\$ 1,727,163</u>
Supplement disclosure of Cash flow information		
Cash paid for interest (excluding capitalized interests)	<u>\$ -</u>	<u>\$ 36,137</u>
Income Tax	<u>\$ 44,284</u>	<u>\$ 37,003</u>
Investing & financing activities not affecting cash flows		
CB converting to common stock	<u>\$ 433,347</u>	<u>\$ 35,634</u>
Payable Bonds due within one year	<u>\$ -</u>	<u>\$ 10,197</u>

Chairman: Chen Hung Wen

Executive: Chen Hung Wen

Accounting Officer: Lin Chih Hung