

TSE: 4906

Gemtek Technology Co., Ltd.

Quarterly Financial Report  
2008 3Q

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Gemtek Technology Co., Ltd.

Balance Sheet  
September 30th of 2008  
(Reviewed but Un-audited)

Unit: NT\$'000

Code	Assets	Sep 30 <sup>th</sup> , 2008		Code	Liabilities and Stockholders' Equity	Sep 30, 2008	
		Amount	%			Amount	%
	<b>Current Assets</b>				<b>Current Liabilities</b>		
1100	Cash & Cash Equivalents	\$ 2,487,096	18	2120	Notes Payable	\$ 162,910	1
1310	Assets Adjusted Fair Value	44,902	-	2140	Accounts Payable	4,076,848	29
1120	Note Receivable (Net)	86,646	1	2160	Income Tax Payable	114,711	1
1140	Account Receivable (Net)	4,660,562	33	2170	Expense Payable	367,456	3
1180	Other Receivables—Related Parties (Net)	32,479	-	2210	Other payables	96,765	1
1210	Inventory	2,132,954	15	2270	Long-term liabilities—current portion	590,121	4
1298	Other Current Assets	<u>274,105</u>	<u>2</u>	2298	Other Current Liabilities	<u>349,624</u>	<u>2</u>
11XX	Total Current Assets	<u>9,718,744</u>	<u>69</u>	21XX	Total Current Liabilities	<u>5,758,435</u>	<u>41</u>
	<b>Funds &amp; Long-term Investments</b>				<b>Long-Term Liabilities</b>		
1450	Financial Products in available-for-sale (non-current)	34,466	-	2410	Bonds Payable	930,234	7
1421	Long-term investment under equity method	736,253	5	2490	Liability of CB—non-current	<u>12,238</u>	<u>-</u>
1480	Long-term investments under cost method	<u>49,944</u>	<u>1</u>	24XX	Total Long-term Liabilities	<u>942,472</u>	<u>7</u>
14XX	Long-term investments under cost method	<u>820,663</u>	<u>6</u>				
	<b>Property, Plant &amp; Equipment</b>				<b>Other Liabilities</b>		
1501	Land	328,168	2	28XX		<u>272,000</u>	<u>2</u>
1521	Buildings	1,222,535	9		Total Liabilities	<u>6,972,907</u>	<u>50</u>
1531	Machinery & Equipment	2,111,245	15	2XXX	<b>Stockholders' Equity</b>		
1681	Other Equipment	<u>703,082</u>	<u>5</u>		Capital		
15X1	Total at Cost	4,365,030	31	3110	Common Stock	2,535,429	18
15X9	Less: Accumulated Depreciation	( 1,200,837 )	( 9 )	3140	Capital Collected in Advance	50,163	-
1670	Add: Construction in progress & prepayments	<u>207,657</u>	<u>2</u>	3140	Capital Reserve	4,047,438	29
15XX	Property, plant & Equipment Net	<u>3,371,850</u>	<u>24</u>	32XX	Retained Earnings		
18XX	Other Assets	<u>172,935</u>	<u>1</u>	3310	Legal Reserve	456,159	3
1XXX	Total Assets	<u>\$ 14,084,192</u>	<u>100</u>	3310	Undistributed Earnings	917,296	7
				3351	Adjusting Items in stockholders' equity		
					Financial Product pending gain/loss	4,976	-
				3450	Cumulative translation adjustments	212,389	1
				3420	Treasury Stock	( <u>1,215,830</u> )	( <u>9</u> )
				3510	Total Stockholders' Equity of Mother Company	7,008,020	49
				3610	Minority Interest	<u>103,265</u>	<u>1</u>
				3XXX	Total Stockholders' Equity	<u>7,111,285</u>	<u>50</u>
					Total Liabilities & Stockholders' equity	<u>\$ 14,084,192</u>	<u>100</u>

Gemtek Technology Co., Ltd  
Income Statement  
Quarter ended September 30 of 2008  
( Reviewed but Un-audited )

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

<u>Code</u>	<u>3<sup>rd</sup> Quarter, 2008</u>	
	<u>Amount</u>	<u>%</u>
4000 Sales Revenue	\$15,735,779	100
5000 Cost of Goods Sold	( <u>13,650,850</u> )	( <u>87</u> )
5910 Gross Profit	2,084,929	13
5920 Related Companies Unrealized Gross Profit	<u>2,319</u>	-
Actual Gross Profit	<u>2,082,610</u>	<u>13</u>
Operating Expenses		
6100 Sales & marketing expense	( 185,084 )	( 1 )
6200 Administration Expense	( 255,875 )	( 2 )
6300 R&D Expense	( <u>574,368</u> )	( <u>3</u> )
6000 Sub Total	( <u>1,015,327</u> )	( <u>6</u> )
6900 Operating Income	<u>1,067,283</u>	<u>7</u>
Non-Operating Income		
7110 Interest Revenue	32,212	1
7122 Dividend Revenue	2,946	-
7140 Gain on disposal of investments	136,277	1
7150 Gain on Physical Inventory	3,295	-
7160 Foreign exchange gain	179,690	1
7320 Gains from Financial Liability Appraisalment (Net)	19,960	-
7480 Other Income	<u>32,173</u>	<u>-</u>
7100 Sub Total	<u>465,441</u>	<u>3</u>
Non-Operating Expenses		
7510 Interest expense	( \$ 38,076 )	-
7521 Investment loss under Equity Method	( 59,186 )	( 1 )
7522 Other Investment Losses	( 2,749 )	( 1 )
7530 Loss from Disposal of Fixed Assets	( 3,612 )	-

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		3 <sup>rd</sup> Quarter, 2008	
Code		Amount	%
7570	Loss for market price decline and obsolete and slow-moving inventories	( 29,188)	-
7640	Financial Product Appropriated Loss	( 52,374)	-
7880	Other Expenses	( 3,609)	-
7500	Sub Total	( 247,682)	( 2)
7900	Net Profit Before Tax	1,285,042	8
8110	Tax gains (expense)	( 315,180)	( 2)
9600	Net Profit after Tax	<u>\$ 969,862</u>	<u>6</u>
Attributed from:			
9601	Mother Company	\$ 912,093	6
9602	Minority Interest	<u>57,769</u>	-
		<u>\$ 969,862</u>	<u>6</u>
		Before Tax	After Tax
<hr/>			
Consolidated Net Profit per Share			
9750	Base EPS	<u>\$ 4.80</u>	<u>\$ 3.89</u>
9850	Diluted EPS	<u>\$ 4.23</u>	<u>\$ 3.42</u>

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

Gemtek Technology Co., Ltd  
Statement of Cash Flows  
Quarter ended September 30 of 2008  
( Reviewed but Un-Audited )

Unit: \$NT '000  
3<sup>rd</sup> Quarter, 2008

Cash flows from operating activities	
Net income	\$ 969,862
Loss on uncollectible accounts	15,672
Depreciation	313,035
Loss for market price decline and obsolete and slow-moving inventories	29,188
Investment loss recognized under equity method (Net)	59,186
Cash dividend of investment companies recognized under equity method	55,308
Gain from disposal of investment	( 136,277 )
Gain/Loss from disposal of fixed assets	3,612
Other investment loss	2,749
Financial Product Appropriated Loss	( 24,382 )
Unrealized gross profit	2,319
Foreign exchange gain from unconverted bonds payable	( 10,664 )
Interest Subsidies	38,076
Deferred income tax assets	109,673
Others	1,461
Changes in assets & Liabilities	
Accounts Receivable	( 1,376,026 )
Other receivables—related parties	24,408
Inventory	( 470,160 )
Other current assets	7,742
Notes Payable	1,098,338
Expense Payable	122,664
Other accounts payable	96,765
Other current liabilities	( <u>98,867</u> )
Net cash from Operating Activities	<u>833,682</u>

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3<sup>rd</sup> Quarter, 2008

Cash flows from investing activities

Acquisition of financial assets designated as at fair value through profit or loss	(\$ 40,000)
Gain/Loss from disposal of sellable financial assets	295,618
Purchase of long-term investment	( 250,584)
Gain/Loss from disposal of long-term investment	321,906
Purchase of fixed assets	( 610,745)
Sales of fixed assets	9,071
Other increase assets	( <u>61,002</u> )
Net Cash used in Investing activities	( <u>335,736</u> )

Cash flows from financing activities

Issuance of payable bonds	995,000
Decrease in bonds payable	( 15,680)
Cost of treasury stock buyback	( 1,103,409)
Gain from disposal of treasury stock	-
BOD remuneration and bonus for employees	( 18,150)
Cash dividend	( 705,562)
New Issuance of Stock of Employees' option	<u>30,407</u>
Cash flow in(out) from financing Activities	( <u>817,394</u> )

Currency Influence ( 31,749)

Net decrease in cash and cash equivalents ( 351,197)

Cash & Cash equivalent at beginning of year 2,838,293

Cash & Cash equivalent at end of year \$ 2,487,096

Investing & financing activities not affecting cash flows

Payable Bonds due within one year \$ 696,207

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