

TSE: 4906

Gemtek Technology Co., Ltd.

Quarterly Financial Statement
2010 3Q

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Gemtek Technology Co., Ltd.

Gemtek Technology Co., Ltd.

Balance Sheet

Sept 30th of 2010 & 2009

(Reviewed but Un-audited)

Unit: NT\$ '000

Code	Assets	2010 Sept. 30th		2009 Sept. 30th		Code	Liabilities & Stockholders' Equity	2010 Sept. 30th		2009 Sept. 30th	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current Assets						Current Liabilities				
1100	Cash & Cash Equivalents (Note 1&3)	\$ 1598,139	9	\$ 2,266,127	18	2100	Short Term Debt	\$ 4,081,558	22	\$ -	-
1310	Financial Assets at Fair Value through Income Statement (Note 1&4)	650,638	3	124,288	1	2120	Notes Payable	76,468	-	98,055	1
1120	Notes Receivable (Note 1,5 &17)	8,594	-	53,692	-	2140	Accounts Payable	5,389,330	29	3,182,280	25
1140	Accounts Receivable (Note 1,5&17)	6,016,722	32	2,857,619	22	2160	Income Tax Payable (Note1)	60,161	-	84,726	1
1180	Other Receivables—Related Parties (Note 1&17)	1,156	-	6,136	-	2170	Expense Payable	430,158	2	427,734	3
1210	Inventory (Note 1, 2&6)	3,055,823	16	1,544,237	12	2280	Financial liabilities designated as at fair value through profit or loss- current	9,934	-	844	-
1298	Other Current Assets (Note 1&17)	<u>1,767,210</u>	<u>10</u>	<u>182,041</u>	<u>2</u>	2210	Other accounts receivable	304	-	6,775	-
11XX	Total Current Assets	<u>13,098,282</u>	<u>70</u>	<u>7,034,140</u>	<u>55</u>	2270	Long-term liabilities due within 1 year (Note 1)	1,113,549	6	766,865	6
	Long-term Investments					2298	Other Current Liabilities	<u>264,461</u>	<u>2</u>	<u>292,508</u>	<u>2</u>
1450	Available-for-sale financial assets - non-current (Note 1&7)	324,295	2	91,142	1	21XX	Total Current Liabilities	<u>11,037,339</u>	<u>61</u>	<u>4,859,787</u>	<u>38</u>
1421	Long-term investment under equity method (Note1 &9)	393,823	2	1,318,274	10		Long-Term liabilities				
1425	Long-term prepaid investment	12,000	-	-	-	2490	Financial liabilities designated as at fair value through profit or loss- non current	-	-	-	-
1430	Financial assets designated as at fair value through profit or loss - non current (Note 1&4)	561	-	55,493	1	2410	Bonds Payable (Note 1&12)	-	-	417,291	3
1480	Long-term investments under cost method- non current (Note 1&8)	<u>291,062</u>	<u>1</u>	<u>49,940</u>	-	24XX	Total Long-term Liabilities	-	-	<u>417,291</u>	<u>3</u>
14XX	Total long-term investments	<u>1,021,741</u>	<u>5</u>	<u>1,514,849</u>	<u>12</u>	28XX	Other Liabilities (Note 1)	<u>140,833</u>	<u>1</u>	<u>202,718</u>	<u>2</u>
	Property, plant & Equipment (Note 1, 10&17)					2XXX	Total Liabilities	<u>11,566,756</u>	<u>62</u>	<u>5,479,796</u>	<u>43</u>
	Cost						Stockholders' Equity (Note 13)				
1501	Land	328,168	2	328,168	2		Capital				
1521	Buildings	2,093,607	11	1,547,874	12	3110	Common Stock	2,835,677	15	2,739,176	21
1531	Machinery & Equipment	2,105,460	11	2,205,659	17	3140	Capital collected in advance	3,417	-	23,754	-
1681	Other Equipment	<u>880,681</u>	<u>5</u>	<u>801,644</u>	<u>6</u>		Capital Reserve (Note1,12&13)				
15X1	Total Costs	5,407,916	29	4,883,345	38	3211	Capital reserve - Paid-in Capital in excess of par - common stock	2,035,908	11	2,073,883	16
15X9	Accumulated Depreciation	(1,696,,937)	(9)	(1,471,646)	(11)	3213	Capital reserve - Bonds conversion premium	1,951,209	11	1,916,224	15
1670	Construction in progress & prepayments	<u>351,452</u>	<u>2</u>	<u>544,975</u>	<u>4</u>	3272	Capital reserve - Options	167,983	1	184,244	2
15XX	Total Fixed Assets	<u>4,062,431</u>	<u>22</u>	<u>3,956,674</u>	<u>31</u>	3260	Capital reserve - Long term Investment	67,927	-	27,695	-
18XX	Other Assets (Note 1&17)	<u>479,540</u>	<u>3</u>	<u>347,061</u>	<u>2</u>	3280	Capital reserve - Others	473	-	473	-
1XXX	Total Assets	<u>\$ 18,661,994</u>	<u>100</u>	<u>\$ 12,852,724</u>	<u>100</u>		Retained Earnings				
						3310	Legal Reserve	617,762	3	562,763	4
						3351	Un-appropriated Earnings	343,095	2	362,004	3
							Adjusting Items in stockholders' equity				
						3450	Unrealized gain/loss on Financial Instruments (Note 1)	142,668	1	31,948	-
						3420	Cumulative translation adjustments (Note 1)	163,395	1	194,349	2

3510	Treasury Stock (Note 1&13)	(<u>1,234,276</u>)	(<u>7</u>)	(<u>811,294</u>)	(<u>6</u>)
	Sum of share holders' equity from mother company	7,095,238	38	7,305,219	57
3610	Minority Interest	<u>-</u>	<u>-</u>	<u>67,709</u>	<u>-</u>
3XXX	Total Stockholders' Equity	<u>7,095,238</u>	<u>38</u>	<u>7,372,928</u>	<u>57</u>
	Total Liabilities & Stockholders' equity	<u>\$ 18,661,994</u>	<u>100</u>	<u>\$ 12,852,724</u>	<u>100</u>

Chairman: Chen, Hung Wen Executive: Chen Hung Wen

Accounting Officer : C.H Lin

Gemtek Technology Co., Ltd

Income Statement

For the quarter ended Sept 30 of 2010 and 2009

(Reviewed but Un-audited)

Code		2010 Sept 30th		2009 Sept 30th	
		Amount	%	Amount	%
4000	Sales Revenue (Note 1&16)	\$14,703,852	100	\$13,098,761	100
5000	Operating Cost (Note 16)	(13,058,592)	(89)	(11,453,983)	(87)
5910	Gross Profit	1,645,260	11	1,644,778	13
5920	Unrealized profit between subsidiaries	-	-	(1,125)	-
5930	Realized profit between subsidiaries	-	-	1,795	-
	Realized gross profit	<u>1,645,260</u>	<u>11</u>	<u>1,645,448</u>	<u>13</u>
	Operating Expenses				
6100	Sales & marketing expense	(358,613)	(2)	(235,919)	(2)
6200	Administration Expense	(275,378)	(2)	(222,965)	(2)
6300	R&D Expense	(833,246)	(6)	(578,120)	(4)
6000	Sub Total	(1,467,237)	(10)	(1,037,004)	(8)
6900	Operating Income	<u>178,023</u>	<u>1</u>	<u>608,444</u>	<u>5</u>
	Non-Operating Income				
7110	Interest Income	9,109	-	14,980	-
7122	Dividend Income	32,684	-	3,107	-
7140	Gain on Disposal of Investments	60,379	1	912	-
7160	Foreign exchange gain	15,722	-	15,172	-
7310	Valuation Gain on Financial Assets- Net	176,600	1	27,483	-
7320	Valuation Gain on Financial Liability	-	-	-	-
7480	Other Income	42,233	-	61,050	1
7100	Sub Total	<u>336,727</u>	<u>2</u>	<u>122,704</u>	<u>1</u>
	Non-Operating Expenses				
7510	Interest expense	(59,224)	-	(36,178)	-

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Code		2010 Sept 30th		2009 Sept 30th	
		A m o u n t	%	A m o u n t	%
7521	Investment Loss Recognized under Equity Method- Net (Note 1&9)	(42,660)	-	(86,637)	(1)
7522	Other Investment Loss	-	-	-	-
7530	Loss on Disposal of Fixed Assets - Net	(1,318)	-	(1,961)	-
7650	Loss on Valuation of Financial Liability - Net	(9,934)	-	-	-
7880	Other Expenses	(<u>41,668</u>)	(<u>1</u>)	(<u>419</u>)	<u>-</u>
7500	Sub Total	(<u>154,804</u>)	(<u>1</u>)	(<u>125,195</u>)	(<u>1</u>)
7900	Net Profit Before Tax	359,946	2	605,953	5
8110	Tax expense	(<u>24,826</u>)	(<u>-</u>)	(<u>158,477</u>)	(<u>2</u>)
9600	Net Profit after Tax	<u>\$ 335,120</u>	<u>2</u>	<u>\$ 447,476</u>	<u>3</u>
	Attributed from:				
9601	Mother Company	\$ 335,951	2	\$ 448,125	3
9602	Minority Interest	(<u>831</u>)	<u>-</u>	(<u>649</u>)	<u>-</u>
		<u>\$ 335,120</u>	<u>2</u>	<u>\$ 447,476</u>	<u>3</u>

		Before Tax	After Tax	Before Tax	After Tax
	Consolidated Net Profit per Share (Note19)				
9750	Base EPS	<u>\$1.36</u>	<u>\$1.27</u>	<u>\$2.13</u>	<u>\$1.68</u>
9850	Diluted EPS	<u>\$1.15</u>	<u>\$1.20</u>	<u>\$1.96</u>	<u>\$1.54</u>

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

Gemtek Technology Co., Ltd
Statement of Cash Flows
Quarter ended Sept 30 of 2010
(Reviewed, but Un-Audited)

Unit: \$NT '000

	<u>2 0 1 0</u>	<u>3 Q</u>	<u>2 0 0 9</u>	<u>3 Q</u>
Cash flows from operating activities				
Net income	\$	335,951	\$	447,476
Loss on Uncollectible accounts		11,000		11,100
Depreciation		329,914		301,339
Amortization		90,545		77,088
Gain/loss on physical inventory	(	1,874)	-	-
Loss for market price decline and obsolete and slow-moving inventories	(	52,341)	2,011	-
Inventory Write Off		10,195		-
Investment Loss Recognized Under Equity Method		42,660		-
Gains on Disposal of Investment	(	60,379)	(	912)
Gains on Disposal of Fixed Assets		1,318		1,961
Gains on Valuation of Financial Instruments	(	166,666)	(	27,477)
Unrealized Gross Profit		-		1,098
Unrealized Foreign Exchange Loss on CB payable	(	8,783)	(	8,420)
Discount and Amortization of CB payable		32,467		36,179
Deferred Income Tax Benefit	(	21,462)		61,454
Changes in Assets & Liabilities				
Financial Instruments Held for Trading		-	(	29,085)
Accounts and Notes Receivable	(	1,516,188)	1,434,535	-
Other receivables—related parties		2,553		42,058
Inventory	(	1,608,304)	(	147,175)
Other current assets	(	16,898)	(	53,741)
Notes and Accountants Payable		2,029,200	(	679,955)
Income Tax Payable	(	43,199)	(	29,858)
Expense Payable	(	46,326)	(	56,025)
Other Payables	(	19,304)	(	22,239)
Other current liabilities	(42,639)	(46,175)
Others	(494)	-	6,309
Net cash from Operating Activities	(<u>719,921</u>)	-	<u>1,520,223</u>

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	2 0 1 0	3 Q	2 0 0 9	3 Q
Cash flows from investing activities				
Acquisition of financial assets designated as at fair value through profit or loss	\$	20,088	(\$	40,244)
Purchase of Available-for-sale financial assets	(	112,123)	(	340,000)
Disposal of Available-for-sale financial assets		100,793		340,912
Acquisition of Long term Investments Under cost method	(	43,500)		-
Acquisition of Long term Investments Under Equity Method	(	84,508)	(	769,750)
Impairment for Long Term Equity Investment	(	58,033)		-
Purchase of fixed assets	(	684,305)	(	489,554)
Sales of fixed assets		583		10,455
Increase/Decrease in Restricted Assets	(	1,505,847)		-
Other increase assets	(	86,499)	(	190,889)
Net Cash used in Investing activities	(	<u>2,454,396</u>)	(	<u>1,472,826</u>)
Cash flows from financing activities				
Increase in Short Term Debt		3,310,487		-
Bonus Paid to Directors and Supervisors and Employees	(	45,035)	(	71,916)
Cash Dividend	(	474,469)	(	891,979)
New Issuance of Stock of Employees' option		24,289		2,874
Purchase of Treasury Stock	(	522,124)		-
Minority Interest	(	68,422)	(	1,362)
Cash flow in(out) from financing Activities		<u>2,224,726</u>		<u>962,383</u>)
Exchange Influence	(	<u>27,326</u>)	(	<u>24,765</u>)
Net decrease in cash and cash equivalents	(	975,917)	(	939,741)
Cash & Cash equivalent at beginning of year		<u>2,574,056</u>		<u>3,205,868</u>
Cash & Cash equivalent at end of year	\$	<u>1,598,139</u>	\$	<u>2,266,127</u>
Supplementary Information				
Interest Paid for current period	\$	<u>22,341</u>	\$	<u>-</u>
Income Tax paid for current period	\$	<u>69,829</u>	\$	<u>88,727</u>
Investing & financing activities not affecting cash flows				
Payable Bonds due within one year	\$	<u>1,113,549</u>	\$	<u>766,865</u>

Convertible Bonds converted to common stocks	<u>\$ 27,751</u>	<u>\$ 139,964</u>
Convertible Bonds converted by treasury stocks	<u>\$ 26,914</u>	<u>\$ -</u>

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

