

## Gemtek Technology Co., Ltd.

## Balance Sheet

March 31st of 2010 &amp; 2009

(Reviewed but Un-audited)

Unit: NT\$ '000

Code	Assets	2010 Mar. 31st		2009 Mar. 31st		Code	Liabilities & Stockholders' Equity	2010 Mar. 31st		2009 Mar. 31st	
		Amount	%	Amount	%			Amount	%	Amount	%
	<b>Current Assets</b>						<b>Current Liabilities</b>				
1100	Cash & Cash Equivalents	\$ 3,538,955	23	\$ 3,299,148	23	2100	Short Term Debt	\$ 1,542,354	10	\$ -	-
1310	Assets Adjusted Fair Value	583,941	4	110,135	1	2120	Notes Payable	52,829	-	60,144	-
1320	Marketable Securities	-	-	210,408	1	2140	Accounts Payable	3,622,807	24	4,093,251	28
1120	Note Receivable (Net)	6,670	-	19,673	-	2160	Income Tax Payable	109,751	1	114,584	1
1140	Account Receivable (Net)	3,840,967	25	4,689,922	32	2170	Expense Payable	297,409	2	434,708	3
1160	Other Receivables—Related Parties	4,167	-	-	-	2260	Unearned receipts	231,333	2	368,789	2
1210	Inventory	1,703,533	11	1,326,713	9	2270	Long-term liabilities—current portion	739,625	4	518,580	4
1298	Other Current Assets	155,973	1	140,445	1	2298	Other Current Liabilities	122,210	1	153,708	1
11XX	Total Current Assets	9,834,206	64	9,796,444	67	21XX	Total Current Liabilities	6,718,318	44	5,743,764	39
	<b>Funds&amp;Long-term Investments</b>						<b>Long-Term liabilities</b>				
	Financial assets designated as at fair value through profit or loss (non current)	12,998	-	68,950	1	2410	Bonds Payable	393,379	3	909,111	6
1430	Purchase of sellable financial assets (non-current)	456,982	3	31,095	-	24XX	Total Long-term Liabilities	393,379	3	909,111	6
1421	Long-term investment under equity method	344,468	2	664,598	5	28XX	Other Liabilities	182,454	1	187,086	2
1480	Long-term investments under cost method	260,289	2	51,510	-	2XXX	Total Liabilities	7,294,151	48	6,839,961	47
14XX	Total Funds & long-term investments	1,074,737	7	816,153	6		<b>Stockholders' Equity</b>				
	<b>Property, plant &amp; Equipment</b>						<b>Capital</b>				
	Cost					3110	Common Stock	2,782,958	18	2,582,435	18
1501	Land	328,168	2	328,168	2	3140	Capital collected in advance	-	-	16,700	-
1521	Buildings	2,084,545	14	1,251,567	8	32XX	Capital Reserve	4,232,743	28	4,157,351	29
1531	Machinery & Equipment	2,082,051	14	2,295,562	16		<b>Retained Earnings</b>				
1681	Other Equipment	828,491	5	679,633	5	3310	Legal Reserve	562,763	4	456,159	3
15X1	Total at Cost	5,323,255	35	4,554,930	31	3351	Un-appropriated Earnings	686,982	4	1,229,069	8
15X9	Less: Accumulated Depreciation	( 1,497,020 )	( 10 )	( 1,342,875 )	( 9 )		Adjusting Items in stockholders' equity				
1670	Add: Construction in progress & prepayments	110,927	1	655,911	4	3420	Cumulative translation adjustments	162,775	1	353,150	2
15XX	Property, plant & Equipment Net	3,937,162	26	3,877,966	26	3450	Financial Product pending gain/loss	294,083	2	(27,181)	-
18XX	Other Assets	489,496	3	159,390	1	3510	Treasury Stock	( 748,878 )	( 5 )	( 1,028,233 )	( 7 )
1XXX	Total Assets	\$ 15,335,601	100	\$ 14,649,953	100		Total Owner Equity of Mother Company	7,973,426	52	7,739,450	53
						3610	Minority Interest	68,024	-	70,542	-
						3XXX	Total Stockholders' Equity	8,041,450	52	7,809,992	53
							Total Liabilities & Stockholders' equity	\$ 15,335,601	100	\$ 14,649,953	100

Gemtek Technology Co., Ltd

Income Statement

For the quarter ended March 31 of 2010 and 2009

( Reviewed but Un-audited )

Code		2010 1 <sup>st</sup> Quarter		2009 1 <sup>st</sup> Quarter	
		A m o u n t	%	A m o u n t	%
4000	Sales Revenue	\$ 4,096,806	100	\$ 4,677,242	100
5000	Operating Cost	( 3,590,330)	( 88)	( 4,106,304)	( 88)
5910	Gross Profit	506,476	12	570,938	12
5920	Unrealized profit between subsidiaries	-	-	( 291)	-
5930	Realized profit between subsidiaries	-	-	1,795	-
	Realized gross profit	<u>506,476</u>	<u>12</u>	<u>572,442</u>	<u>12</u>
	Operating Expenses				
6100	Sales & marketing expense	( 102,661)	( 2)	( 77,628)	( 1)
6200	Administration Expense	( 79,752)	( 2)	( 86,054)	( 2)
6300	R&D Expense	( 260,193)	( 6)	( 183,001)	( 4)
6000	Sub Total	( 442,606)	( 10)	( 346,683)	( 7)
6900	Operating Income	<u>63,870</u>	<u>2</u>	<u>225,759</u>	<u>5</u>
	Non-Operating Income				
7110	Interest Revenue	3,560	-	3,811	-
7140	Gain on disposal of investments	2,750	-	34	-
7160	Foreign exchange gain	-	-	86,675	2
7310	Valuation Gain of Financial Assets	122,246	3	6,942	-
7480	Other Income	8,425	-	10,988	-
7100	Sub Total	<u>136,981</u>	<u>3</u>	<u>108,450</u>	<u>2</u>
	Non-Operating Expenses				
7510	Interest expense	( 13,936)	-	( 12,448)	-
7521	Investment loss under Equity Method	( 20,899)	( 1)	( 28,716)	-

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Code		2010 1 <sup>st</sup> Quarter		2009 1 <sup>st</sup> Quarter	
		A m o u n t	%	A m o u n t	%
7530	Loss from Disposal of Fixed Assets	(\$ 844)	-	(\$ 1,667)	-
7560	Foreign exchange loss	( 1,313)	-	-	-
7640	Financial Product appropriated loss	-	-	-	-
7880	Other Expenses	( 166)	-	( 201)	-
7500	Sub Total	( 37,158)	( 1)	( 43,032)	-
7900	Net Profit Before Tax	163,693	4	291,177	7
8110	Tax gains (expense)	( 22,755)	( 1)	( 83,558)	( 2)
9600	Net Profit after Tax	<u>\$ 140,938</u>	<u>3</u>	<u>\$ 207,619</u>	<u>5</u>
	Attributed from:				
9601	Mother Company	\$ 141,770	3	\$ 209,044	5
9602	Minority Interest	( 832)	-	( 1,425)	-
		<u>\$ 140,938</u>	<u>3</u>	<u>\$ 207,619</u>	<u>5</u>
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
	Consolidated Net Profit per Share				
9750	Base EPS	<u>\$ 0.61</u>	<u>\$ 0.54</u>	<u>\$ 1.06</u>	<u>\$ 0.84</u>
9850	Diluted EPS	<u>\$ 0.56</u>	<u>\$ 0.49</u>	<u>\$ 0.94</u>	<u>\$ 0.74</u>

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

Gemtek Technology Co., Ltd  
Statement of Cash Flows  
Quarter ended March 31 of 2010  
( Reviewed, but Un-Audited )

Unit: \$NT '000

	<u>2 0 1 0</u>	<u>1<sup>s t</sup></u>	<u>2 0 0 9</u>	<u>1<sup>s t</sup></u>
	<u>Q u a r t e r</u>	<u>Q u a r t e r</u>	<u>Q u a r t e r</u>	<u>Q u a r t e r</u>
Cash flows from operating activities				
Net income	\$	140,938	\$	207,619
Depreciation		139,684		123,478
Loss for market price decline and obsolete and slow-moving inventories	(	15,097)	-	-
Investment Gain under equity Method		20,899		28,716
Gains from Disposal of Investment	(	2,750)	-	-
Gains from Disposal of Fixed Assets		844		1,633
Amortization of CB payables allowances		10,351		12,448
Financial Product Appropriated Loss	(	122,246)	(	6,936)
Unrealized profit between subsidiaries		-		291
Realized profit between subsidiaries		-	(	1,795)
Foreign Exchange Gain/Loss of Unrealized CB Payables	(	2,044)		16,907
Deferred Income Tax Assets		11,876		55,012
Changes in assets & Liabilities				
Accounts Receivable		491,139	(	363,748)
Other receivables—related parties	(	456)	-	-
Inventory	(	468,548)		72,360
Other current assets		56,866		229,114
Notes Payable		229,038		193,105
Expense Payable		121,729	(	35,031)
Income Tax Payable		6,281		-
Unearned receipts	(	27,650)		204,030
Other current liabilities	(	<u>252,402</u> )	(	<u>172,914</u> )
Net cash from Operating Activities		<u>338,452</u>		<u>564,289</u>
Cash flows from investing activities				
Acquisition of financial assets designated as at fair value through profit or loss		-	(	70,000)
Purchase of sellable financial assets	(	56,000)	(	210,000)
Long-term investment under equity method		-	(	69,750)

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	2 0 1 0    1 <sup>s</sup> t Q u a r t e r	2 0 0 9    1 <sup>s</sup> t Q u a r t e r
Purchase of long-term investment	\$ -	\$ -
Purchase of fixed assets	( 21,308)	( 131,302)
Sales of fixed assets	902	135
Other increase assets	<u>57,980</u>	<u>20,784</u>
Net Cash used in Investing activities	<u>( 134,386)</u>	<u>( 460,133)</u>
Cash flows from financing activities		
Increase/Decrease in Short term debts	747,300	-
New Issuance of Stock of Employees' option	<u>24,289</u>	<u>1,650</u>
Cash flow in(out) from financing Activities	<u>771,589</u>	<u>1,650</u>
Currency Influence	<u>( 10,756)</u>	<u>( 12,526)</u>
Net decrease in cash and cash equivalents	<u>964,899</u>	<u>93,280</u>
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>\$ 3,538,955</u>	<u>\$ 3,299,148</u>
Investing & financing activities not affecting cash flows		
Payable Bonds due within one year	<u>\$ 739,625</u>	<u>\$ 518,580</u>
Convertible Bonds converted to common stocks	<u>\$ 18,328</u>	<u>\$ 52,245</u>
Convertible Bonds converted to treasury stocks	<u>\$ 1,512</u>	<u>\$ 31,828</u>

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