

TSE: 4906

Gemtek Technology Co., Ltd.

Consolidated Semi-Annual Financial Report
2007

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

Units: NT\$'000

Code	Assets	June 30, 2007		June 30, 2006		Code	Liabilities & Stockholders' Equity	June 30, 2007		June 30, 2006	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current Assets						Current Liabilities				
1100	Cash & Cash Equivalents	\$1,016,029	8	\$ 989,667	9	2100	Short-term Loans	\$ -	-	\$1,226,666	11
1310						2120	Notes Payable	147,305	1	342,507	3
1320	Marketable Securities	1,064,755	9	-	-	2140	Accounts Payable	3,148,580	25	2,991,084	27
1120	Net Note Receivable	44,158	-	-	-	2170	Expense Payable	278,030	2	193,118	2
1140	Account Receivable (Net)	4,022,962	32	3,777,863	34	2210	Other payables	634,986	5	350,663	3
1160	Notes Receivable-Related Parties	15,308	-	25,030	-	2270	long-term liabilities -current portion	-	-	31,089	-
1210	Inventory	2,332,603	18	2,705,154	24	2298	Other Current Liabilities	406,004	3	101,421	1
1298	Other Current Assets	227,424	2	243,716	2	21XX	Total Current Liabilities	4,614,905	36	5,236,548	47
11XX	Total Current Assets	8,745,983	69	7,751,100	69		Long-Term liabilities				
	Funds & Long-term Investments					2410	Bonds Payable	759,748	6	-	-
1480	Long-term investments accounted for under cost method	165,112	1	239,713	2	28XX	Other Liabilities	75,760	1	15,652	-
1421	Long-term investment accounted for under equity method	610,971	5	96,119	1	2XXX	Total Liabilities	5,450,413	43	5,252,200	47
1425	Prepaid long-term investments	29,817	-	-	-		Stockholders' Equity				
14XX	Total Funds & long-term investments	805,900	6	335,832	3		Capital				
	Property, plant & Equipment					3110	Common Stock	2,242,026	18	1,853,094	17
	Cost					3150	Stock dividends to be distributed	160,779	1	230,135	2
1501	Land	328,168	2	328,168	3	32XX	Capital Reserve	3,851,174	30	3,057,732	27
1521	Buildings	1,173,146	9	1,130,139	10		Retained Earnings				
1531	Machinery & Equipment	1,751,629	14	1,566,929	14	3310	Legal Reserve	355,322	3	269,208	2
1681	Other Equipment	477,248	4	389,136	3	3351	Un-appropriated Earnings	615,479	5	440,352	4
15X1	Total at Cost	3,730,191	29	3,414,372	30		Adjusting Items in stockholders' equity				
15X9	Less: Accumulated Depreciation	(765,109)	(6)	(459,614)	(4)	3420	Cumulative translation adjustments	65,431	1	(667)	-
1670	Add: Construction in progress & prepayments	6,830	-	3,704	-	3450	Financial Product pending gain/loss	4,755	-	-	-
15XX	Property, plant & Equipment Net	2,971,912	23	2,958,462	26	3510	Treasury Stock	(232,359)	(2)	-	-
	Property, plant, and equipment Consolidated Debit					3610	Minority interest	188,583	1	122,390	1
1760		-	-	4,396	-	3XXX	Total Stockholders' Equity	7,062,607	56	5,849,854	52
18XX	Other Assets	177,809	2	174,654	2		Total Liabilities & Stockholders' equity	\$11,004,973	100	\$9,616,560	100
1XXX	Total Assets	\$ 12,701,630	100	\$11,224,444	100						

Chairman : Chen, Hung Wen

Executive: Chen, Hung Wen

Accounting Officer : Lin, Chih Hung

Gemtek Technology Co., Ltd & Subsidiary

Income Statement

June 30 of 2006 and 2007

(Reviewed but Un-audited)

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

Code		J u n e 3 0 , 2 0 0 7		J u n e 3 0 , 2 0 0 6	
		Amount	%	Amount	%
4000	Sales Revenue	\$ 8,738,278	100	\$ 7,446,063	100
5000	Operating Cost	(7,762,703)	(89)	(6,524,961)	(88)
5910	Gross Profit	<u>975,575</u>	<u>11</u>	<u>921,102</u>	<u>12</u>
	Operating Expenses				
6100	Sales & marketing expense	(88,159)	(1)	(96,754)	(1)
6200	Administration Expense	(118,457)	(1)	(103,503)	(1)
6300	R&D Expense	(247,251)	(3)	(197,120)	(3)
6000	Sub Total	(453,867)	(5)	(397,377)	(5)
6900	Operating Income	<u>521,708</u>	<u>6</u>	<u>523,725</u>	<u>7</u>
	Non-Operating Income				
7110	Interest Revenue	17,044	-	5,943	-
7130	Gains on Disposal of Fixed Assets	3,564	-	3,526	-
7140	Gain on disposal of investments	177,568	2	513	-
7150	Gain on physical inventory	3,683	-	3,073	-
7160	Foreign exchange gain	112,506	2	-	-
7310	Gains from Financial Assets Adjustments	19	-	-	-
7480	Other Income	<u>8,328</u>	<u>-</u>	<u>8,531</u>	<u>1</u>
7100	Sub Total	<u>326,441</u>	<u>4</u>	<u>23,411</u>	<u>1</u>
	Non-Operating Expenses				
7510	Interest expense	(22,868)	(1)	(26,618)	-
7521		(5,787)	-	(5,851)	-
7522	Other Investment Loss	(6,873)	-	-	-
7530	Loss from Disposal of Fixed Assets	(160)	-	(2,659)	(1)
7560	Loss on FX	-	-	(28,269)	(1)
7570	Loss for market price decline and obsolete and slow-moving inventories	(20,350)	-	-	-
7880	Miscellaneous Expenses	<u>-</u>	<u>-</u>	<u>(5,457)</u>	<u>-</u>
7500	Sub Total	(56,038)	(1)	(68,854)	(1)

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Code		Semi-annual, 2007		Semi-annual, 2006	
		Amount	%	Amount	%
7900	Net Profit Before Tax	\$ 792,111	9	\$ 478,282	7
8110	Tax gains (expense)	<u>(90,882)</u>	<u>(1)</u>	<u>(68,156)</u>	<u>(1)</u>
9600	Net Profit after Tax	<u>\$ 701,229</u>	<u>8</u>	<u>\$ 410,126</u>	<u>6</u>

Code					
	Attributed from :				
9601	Mother Company	\$ 608,669	7	\$ 413,216	6
9602	Minority interest	<u>(90,560)</u>	<u>(1)</u>	<u>(68,156)</u>	<u>(1)</u>
		<u>\$701,229</u>	<u>8</u>	<u>\$410,126</u>	<u>6</u>

Code		Before Tax	After Tax	Before Tax	After Tax
	Consolidated Net Profit Per Share				
9750	Base EPS	<u>\$ 3.11</u>	<u>\$ 2.77</u>	<u>\$ 2.32</u>	<u>\$ 1.99</u>
9850	Diluted EPS	<u>\$ 2.87</u>	<u>\$ 2.54</u>	<u>\$ 2.27</u>	<u>\$ 1.95</u>

Gemtek Technology Co., Ltd & Subsidiary
Statement of Cash Flows
June 30 of 2006 & 2007
(Reviewed, but Un-Audited)

Unit: NT\$'000

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Cash flows from operating activities		
Consolidated Net Profit	\$ 701,229	\$ 410,216
Bad Debt Expense	-	11,000
Depreciation	181,291	167,692
Loss from stock devaluation	20,350	-
Investment loss from Equity Method	5,787	5,851
Disposal of Investment(Gain)Loss	(177,568)	(513)
Net Gain from Disposal of Fixed Assets	(3,404)	(867)
Interest Subsidies	20,018	264
Other Investment Losses	6,873	-
Financial Product appropriated loss	(19)	-
Deferred Income Tax Asset	3,712	24,454
Changes in assets & Liabilities		
Accounts Receivable	(482,986)	(532,469)
Other receivable	(14,676)	(529)
Inventory	(127,539)	(780,170)
Other current assets	30,952	65,475
Notes Payable	213,099	757,254
Expense Payable	13,067	25,985
Other current liabilities	145,480	135,683
Others	(99,973)	12,081
Net cash from Operating Activities	<u>435,693</u>	<u>301,317</u>
Cash flows from investing activities		
Acquisition of sellable financial Assets	(1,079,900)	(280,000)
Proceeds from Disposal of Sellable Financial Assets	93,448	280,513
Acquisition of Long Term Investments	(305,405)	-

Disposal of Long Term Investments	314,970	-
Acquisition of property, plant & equipments	(88,703)	(269,494)
Proceeds from disposal of fix assets	22,298	4,625
Decrease(increase) Other Assets	(<u>23,612</u>)	(<u>29,539</u>)
Net Cash used in Investing activities	(<u>1,066,904</u>)	(<u>293,895</u>)
Cash flows from financing activities		
Increase(decrease) short-term loan	(171,646)	(670,875)
Cost of Treasury Stock Buyback	(<u>232,359</u>)	<u>-</u>
Cash flow in(out) from financing Activities	(<u>404,005</u>)	(<u>670,875</u>)

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	<u>June 30 of 2007</u>	<u>June 30 of 2006</u>
Net decrease in cash and cash equivalents	(1,035,216)	(663,453)
Exchange Influence	(56,606)	11,015
Cash & Cash equivalent at beginning of year	<u>2,107,851</u>	<u>1,642,105</u>
Cash & Cash equivalent at end of year	<u>\$1,106,0297</u>	<u>\$ 989,667</u>
Supplement disclosure of Cash flow information		
Cash paid for interest excluding capitalized interests)	<u>\$ -</u>	<u>\$ 29,947</u>
Income Tax Paid	<u>\$ 52,960</u>	<u>\$ 37,003</u>
Investing & financing activities not affecting cash flows		
CB converting to common stock	<u>\$ 398,155</u>	<u>\$ 14,692</u>
ECB payable proportionally maturing in one year	<u>\$ -</u>	<u>\$ 31,089</u>

Chairman: Chen Hung Wen

Executive: Chen Hung Wen

Accounting Officer: Lin Chih Hun