

TSE: 4906

Gemtek Technology Co., Ltd.

Quarterly Financial Report
2009 1H

Address: No. 1 Jenai Road, Hsinchu Industrial Park, Hukou, Hsinchu, Taiwan

Tel: +886 3 598 5535

Gemtek Technology Co., Ltd.

Balance Sheet
June 30th of 2009 and 2008
(Reviewed but Un-audited)

Unit: \$NT '000

Code	Assets	June 30 th 2009		June 30 th 2008		Code	Liabilities and Stockholders' Equity	June 30 th 2009		June 30 th 2008	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current Assets						Current Liabilities				
1100	Cash & Cash Equivalents	\$ 3,250,951	23	\$ 3,535,148	25	2120	Notes Payable	\$ 50,447	-	\$ 85,932	1
1310	Assets Adjusted Fair Value					2140	Accounts Payable	3,368,920	24	4,190,617	29
		80,561	1	134,015	1	2160	Income Tax Payable	49,040	-	149,050	1
1320	Sellable Financial Assets – Net					2170	Expense Payable	359,900	3	340,285	2
		340,739	3	95,352	1	2180	Financial liabilities designated as at				
1120	Note Receivable (Net)	33,348	-	28,869	-		fair value through profit or loss	2,601	-	-	-
1140	Account Receivable (Net)	3,934,169	28	4,169,133	29	2210	Other payables	891,979	7	787,693	6
1160	Other Receivables – Related Parties	5,824	-	5,889	-	2270	Long-term liabilities – current				
1210	Inventory	1,230,726	9	2,038,293	14		portion	1,301,115	9	702,882	5
1298	Other Current Assets	165,862	1	287,838	2	2260	Unearned receipts	401,472	3	184,025	1
11XX	Total Current Assets	9,042,180	65	10,294,537	72	2298	Other Current Liabilities	120,193	1	119,121	1
						21XX	Total Current Liabilities	6,545,667	47	6,559,605	46
	Funds & Long-term Investments						Long-Term Liabilities				
1430	Financial assets designated as at fair value through profit or loss	79,355	1	-	-	2410	Bonds Payable	-	-	923,249	7
1450	Financial Products in available-for-sale (non-current)	48,175	-	38,850	-	2490	Liability of CB – non-current			32,720	-
1480	Long-term investments under cost Method	50,521	-	85,202	1	24XX	Total Long-term Liabilities			955,969	7
1421	Long-term investment under equity Method	643,166	5	592,786	4	28XX	Other Liabilities	198,902	1	174,247	1
14XX	Long-term investments under cost method	821,217	6	716,838	5	2XXX	Total Liabilities	6,744,569	48	7,689,821	54
	Property, plant & Equipment Cost						Stockholders' Equity				
1501	Land	328,168	2	328,168	2	3110	Capital				
1521	Buildings	1,232,942	9	1,188,328	9	3140	Common Stock	2,599,583	19	2,414,881	17
1531	Machinery & Equipment	2,243,709	16	1,938,913	14	3150	Capital Collected in Advance	3,628	-	4,300	-
1681	Other Equipment	720,500	5	613,975	4	3150	Stock dividends to distribute	135,965	1	116,248	1
15X1	Total at Cost	4,525,319	32	4,069,384	29	32XX	Capital Reserve	4,155,809	30	3,928,753	27
15X9	Less: Accumulated Depreciation	(1,414,698)	(10)	(1,091,093)	(8)	3310	Retained Earnings				
	Add: Construction in progress & prepayments	802,495	6	115,725	1		Legal Reserve	562,763	4	456,159	3
1670						3351	Undistributed Earnings	293,615	2	540,748	4
15XX	Property, plant & Equipment Net	3,913,116	28	3,094,016	22		Adjusting Items in stockholders' equity				
						3420	Cumulative translation adjustments	253,903	2	63,916	-
18XX	Other Assets	152,701	1	158,819	1	3450	Financial Product pending gain/loss	(10,281)	-	9,955	-
						3510	Treasury Stock	(878,848)	(7)	(1,075,812)	(7)
							Total Stockholders' Equity of Mother Company	7,116,137	51	6,459,148	45
1XXX	Total Assets	\$ 13,929,214	100	\$ 14,264,210	100	3610	Minority Interest	68,508	1	115,241	1
						3XXX	Total Stockholders' Equity	7,184,645	52	6,574,389	46
							Total Liabilities & Stockholders' equity	\$ 13,929,214	100	\$ 14,264,210	100

Chairman : Chen, Hung Wen Executive: Chen, Hung Wen Accounting Officer : Lin, Ch

Gemtek Technology Co., Ltd
Income Statement
Quarter ended June 30 of 2009
(Reviewed but Un-audited)

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

Code		1 H	2 0 0 9	1 H	2 0 0 8
		A m o u n t	%	A m o u n t	%
4000	Sales Revenue	\$ 9,243,649	100	\$10,017,326	100
5000	Operating Cost	(8,125,258)	(88)	(8,729,287)	(87)
5910	Gross Profit	1,118,391	12	1,288,039	13
5920	Unrealized profit between subsidiaries	(1,830)	-	-	-
5930	Realized profit between subsidiaries	<u>1,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Realized gross profit	<u>1,118,356</u>	<u>12</u>	<u>1,288,039</u>	<u>13</u>
	Operating Expenses				
6100	Sales & marketing expense	(149,445)	(2)	(114,190)	(1)
6200	Administration Expense	(148,838)	(1)	(156,201)	(2)
6300	R&D Expense	(365,752)	(4)	(377,046)	(4)
6000	Sub Total	<u>(664,035)</u>	<u>(7)</u>	<u>(647,437)</u>	<u>(7)</u>
6900	Operating Income	454,321	5	640,602	6
	Non-Operating Income				
7110	Interest Revenue	9,435	-	23,580	1
7140	Gain on disposal of investments	-	-	183,340	2
7160	Foreign exchange gain	38,244	1	18,506	-
7310	Gains from Financial Assets Adjustments	26,652	-	-	-

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Code		1 H 2 0 0 9		1 H 2 0 0 8	
		A m o u n t	%	A m o u n t	%
7320	Gains from Financial Liability Appraisalment (Net)	\$ -	-	\$ 9,010	-
7480	Other Income	<u>32,696</u>	-	<u>16,562</u>	-
7100	Sub Total	<u>107,027</u>	<u>1</u>	<u>250,998</u>	<u>3</u>
	Non-Operating Expenses				
7510	Interest expense	(24,701)	-	(22,392)	-
7521	Investment loss under Equity Method	(62,591)	(1)	(51,291)	(1)
7522	Other Investment Losses	-	-	(43,130)	-
7530	Loss from Disposal of Fixed Assets	(1,729)	-	(2,656)	-
7640	Financial Product Appropriated Loss	-	-	(9,233)	-
7650	Financial Product Appropriated Loss	(2,601)	-	-	-
7880	Other Expenses	(268)	-	(454)	-
7500	Sub Total	<u>(91,890)</u>	<u>(1)</u>	<u>(129,156)</u>	<u>(1)</u>
7900	Net Profit Before Tax	469,458	5	762,444	8
8110	Tax gains (expense)	<u>(112,535)</u>	<u>(1)</u>	<u>(160,567)</u>	<u>(2)</u>
9600	Net Profit after Tax	<u>\$ 356,923</u>	<u>4</u>	<u>\$ 601,877</u>	<u>6</u>
	Attributed from				
9601	Mother Company	\$ 358,100	4	\$ 530,358	5
9602	Minority Interest	<u>(1,177)</u>	-	<u>71,519</u>	<u>1</u>
		<u>\$ 356,923</u>	<u>4</u>	<u>\$ 601,877</u>	<u>6</u>
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
	Consolidated Net Profit per Shar				
9750	Base EPS	<u>\$ 1.73</u>	<u>\$ 1.42</u>	<u>\$ 2.58</u>	<u>\$ 2.15</u>
9850	Diluted EPS	<u>\$ 1.62</u>	<u>\$ 1.32</u>	<u>\$ 2.31</u>	<u>\$ 1.92</u>

Chairman:Chen, Hung Wen Executive:Chen, Hung Wen Accounting Officer: Lin, Ch

Gemtek Technology Co., Ltd
Consolidated Statement of Changes in Equity
Period from Jan. 1 to June 30th of 2009 & 2008
(Reviewed but un-audited)

	C a p i t a l			R e t a i n e d E a r n i n g s			O t h e r I t e m s o f O w n e r s ' E q u i t y				Total
	Share Capital	Capital Collected in Advance	Stock Dividend to be Distributed	Legal Reserves	Special Reserve	Profit to be Distributed	Accumulated Conversion Adjustments	Unrealized Financial Products Gain/Loss	Treasury Stock	Minority Interests	
Balance on Jan. 1 st 2008	\$ 2,411,851	\$ -	\$ -	\$ 3,877,320	\$ 355,322	\$ 1,015,168	\$ 94,301	\$ 4,170	(\$ 112,421)	\$ 83,846	\$ 7,729,557
Earnings Distribution of 2007											
Legal Retained Earning Reserves	-	-	-	-	100,837	(100,837)	-	-	-	-	-
Cash Dividends	-	-	-	-	-	(705,562)	-	-	-	-	(705,562)
Stock Dividends	-	-	44,098	-	-	(44,098)	-	-	-	-	-
Bonus for Employees	-	-	-	-	-	(63,980)	-	-	-	-	(63,980)
Employee Stock Bonuses	-	-	72,150	-	-	(72,150)	-	-	-	-	-
BOD remuneration	-	-	-	-	-	(18,151)	-	-	-	-	(18,151)
Employees' stock option	3,030	4,300	-	16,200	-	-	-	-	-	-	23,530
Valuation of compound financial products' equity factors	-	-	-	35,233	-	-	-	-	-	-	35,233
Net Profit of 2007	-	-	-	-	-	530,358	-	-	-	71,519	601,877
Change of unrealized profit of sellable financial products	-	-	-	-	-	-	-	5,785	-	-	5,785
Accumulated Conversion Adjustments	-	-	-	-	-	-	(30,385)	-	-	-	(30,385)
Buy back Treasury Stock—18,928,000 shares	-	-	-	-	-	-	-	-	(963,391)	-	(963,391)
Change of Minority Interests	-	-	-	-	-	-	-	-	-	(40,124)	(40,124)
Balance on Dec. 31 st 2008	\$ 2,414,881	\$ 4,300	\$ 116,248	\$ 3,928,753	\$ 456,159	\$ 540,748	\$ 63,916	\$ 9,955	(\$ 1,075,812)	\$ 115,241	\$ 6,574,389
Balance on Jan. 1 st 2009	\$ 2,563,412	\$ 19,023	\$ -	\$ 4,124,011	\$ 456,159	\$ 1,066,041	\$ 262,619	(\$ 38,311)	(\$ 1,075,812)	\$ 69,720	\$ 7,446,862
Earnings Distribution of 2008											
Legal Retained Earning Reserve	-	-	-	-	106,604	(106,604)	-	-	-	-	-
Cash Dividends	-	-	-	-	-	(891,979)	-	-	-	-	(891,979)
Stock Dividends	-	-	48,215	-	-	(48,215)	-	-	-	-	-
Employee Stock Bonuses	-	-	15,427	56,572	-	-	-	-	-	-	71,999
Reserved Capital converted to new issuance of stocks	-	-	72,323	(72,323)	-	-	-	-	-	-	-
Bonds Conversion	16,548	3,578	-	45,423	-	-	-	-	-	-	65,549
Convertible capital converted to common stock	19,023	(19,023)	-	-	-	-	-	-	-	-	-
CB converted to treasury stocks—3,845,000 shares	-	-	-	(15,960)	-	(49,607)	-	-	196,964	-	131,397
Adjustment of long-term investment holding ratio change	-	-	-	16,948	-	(34,121)	-	-	-	-	(17,173)
Execution of Employees' stock option	600	50	-	1,138	-	-	-	-	-	-	1,788
Net Profit of 2009 1H	-	-	-	-	-	358,100	-	-	-	(1,177)	356,923
Change of unrealized profit of sellable financial products	-	-	-	-	-	-	-	28,030	-	-	28,030
Accumulated Conversion Adjustments	-	-	-	-	-	-	(8,716)	-	-	-	(8,716)
Change of Minority Interests	-	-	-	-	-	-	-	-	-	(35)	(35)
Balance on June 30 th 2009	\$ 2,599,583	\$ 3,628	\$ 135,965	\$ 4,155,809	\$ 562,763	\$ 293,615	\$ 253,903	(\$ 10,281)	(\$ 878,848)	\$ 68,508	\$ 7,184,645

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

Gemtek Technology Co., Ltd
Statement of Cash Flows
Jan 1st to June 30th of 2009
(Reviewed, but Un-Audited)

	2 0 0 9	1 H	2 0 0 8	1 H
	Unit: \$NT '000			
Cash flows from operating activities				
Net income	\$ 356,923		\$ 601,877	
Bad Debt Expense	11,100		15,672	
Depreciation	248,606		203,527	
Inventory Gain	(1,957)		-	
Loss for market price decline and obsolete and slow-moving inventories	19,819		33,798	
Investment Loss under equity Method	62,591		51,291	
Gains from Disposal of Investment	-		(183,340)	
Loss from Disposal of Fixed Assets	1,729		2,656	
Interest Subsidies	24,701		22,392	
Foreign Exchange Gain/Loss of Unrealized CB Payables	72		(55,862)	
Other investment loss	-		43,130	
Financial Product Appropriated Gain	(24,044)		(11,922)	
Unrealized sales profits	1,830		-	
Realized sales profits	(1,795)		-	
Deferred Income Tax Assets	54,604		26,257	
Changes in Assets & Liabilities				
Accounts Receivable	367,230		(826,820)	
Other receivables – related parties	42,370		50,998	
Inventory	150,030		(380,109)	
Other current assets	2,063		(18,487)	
Notes Payable	(540,923)		1,135,129	
Expense Payable	(37,840)		95,493	
Income Tax Payable	(65,544)		(37,170)	
Other current liabilities	153,124		(20,819)	
Others	6,306		-	
Net cash from Operating Activities	<u>830,995</u>		<u>747,691</u>	

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	<u>2 0 0 9</u>	<u>1 H</u>	<u>2 0 0 8</u>	<u>1 H</u>
Cash flows from investing activities				
Acuisitino of financial assets designated as at fair value through profit or loss	(\$	110,244)	(\$	40,000)
Disposal of financial assets designated as at fair value through profit or loss		70,000		-
Purchase of sellable financial assets	(	340,000)		-
Gain/Loss from disposal of sellable financial assets		-		200,000
Long-term investment under equity method	(	69,750)	(	98,400)
Gain/Loss from disposal of long-term investment		-		200,136
Purchase of fixed assets	(	328,101)	(	297,686)
Other increase/decrease assets		<u>6,219</u>		<u>(8,666)</u>
Net Cash used in Investing activities	(	<u>771,876</u>)	(	<u>44,616</u>)
Cash flows from financing activities				
Issuance of CB		-		995,000
Treasury Buyback		-	(	963,391)
New Issuance of Stock of Employees' option		1,788		23,530
Minority interest	(	<u>35</u>)	(	<u>40,124</u>)
Cash flow in(out) from financing Activities		<u>1,753</u>		<u>15,015</u>
Net increase in cash and cash equivalents		60,872		718,090
Currency Influence	(	15,789)	(	21,235)
Cash & Cash equivalent at beginning of year		<u>3,205,868</u>		<u>2,838,293</u>
Cash & Cash equivalent at end of year		<u>\$ 3,250,951</u>		<u>\$ 3,535,148</u>
Subsidiary disclosure of cash flow information				
Interest paid of current period		<u>\$ -</u>		<u>\$ -</u>
Income tax of current period		<u>\$ 129,272</u>		<u>\$ 463,580</u>
Investing & financing activities not affecting cash flows				
Bonds Conversion		<u>\$ 65,549</u>		<u>\$ -</u>
Payable Bonds due within one year		<u>\$ 1,301,115</u>		<u>\$ 702,882</u>

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