

GLORIA MATERIAL TECHNOLOGY CO., LTD.
STATEMENTS OF INCOME
For the Years Ended December 31, 2007 and 2006
(Amounts Expressed in Thousands of New Taiwan Dollars)

	2007		2006	
	Amounts	%	Amounts	%
SALES	\$ 10,364,315	100	\$ 7,208,874	100
Less: sales return	(8,232)	-	(10,415)	-
Less: sales allowance	(19,963)	-	(10,814)	-
NET SALES	10,336,120	100	7,187,645	100
COST OF SALES	(8,302,483)	(80)	(5,624,087)	(78)
GROSS PROFIT	2,033,637	20	1,563,558	22
Unrealized intercompany profit	(65,053)	(1)	(45,882)	(3)
Realized intercompany profit	45,882	-	97,275	1
REALIZED GROSS PROFIT	2,014,466	19	1,614,951	22
OPERATING EXPENSES				
Selling	(359,909)	(3)	(282,544)	(4)
General and administrative	(163,803)	(2)	(121,337)	(2)
Research and development	(86,522)	(1)	(77,037)	(1)
Total	(610,234)	(6)	(480,918)	(7)
OPERATING INCOME	1,404,232	13	1,134,033	16
NON-OPERATING INCOME				
Interest income	2,695	-	2,762	-
Investment income recognized under equity method	304,567	3	113,295	2
Dividends income	-	-	-	-
Gain on disposal of property	-	-	-	-
Gain on disposal of investments	6,143	-	18,324	-
Gain on disposal of assets	804	-	262	-
Gain from price recovery of inventory	-	-	-	-
Gain for evaluation of financial assets	-	-	-	-
Exchange gain, net	17,368	-	22,740	-
Rental income	-	-	233	-
Gain on market price recovery of short- investments	-	-	-	-
Gain on market recovery of inventories	-	-	-	-
Gain on physical inventory	4,214	-	-	-
Other income	38,076	1	62,630	1
Total	373,867	4	220,246	3
NON-OPERATING EXPENSES				
Interest expense	(139,553)	(1)	(90,541)	(1)
Investment loss	-	-	-	-
Loss on disposal of assets	(2,038)	-	(3,016)	-
Loss for evaluation of financial assets	-	-	-	-
Loss for evaluation of financial liabilities	(26,368)	-	(299)	-
Loss on physical inventory	(7,031)	-	(567)	-
Exchange loss, net	-	-	-	-
Loss on market decline of inventories	(4,139)	-	(2,921)	-
Other expenses	(49,752)	(1)	(25,419)	(1)
Total	(228,881)	(2)	(122,763)	(2)
INCOME (LOSS) BEFORE INCOME TAX	1,549,218	15	1,231,516	15
INCOME TAX BENEFIT (EXPENSE)	(264,342)	(3)	(277,597)	(4)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLEs	-	-	(5,521)	-
NET INCOME (LOSS)	\$ 1,284,876	12	\$ 948,398	13
EARNINGS PER SHARE				
	before tax	after tax	before tax	after tax
Basic earnings per share	\$ 5.22	\$ 4.33	\$ 4.29	\$ 3.32
Diluted earnings per share	\$ 4.90	\$ 4.07	\$ 4.13	\$ 3.20