

GLORIA MATERIAL TECHNOLOGY CO., LTD.
STATEMENTS OF INCOME
For the Nine Months Ended September 30, 2007 and 2006
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2007		2006	
	Amounts	%	Amounts	%
GROSS SALES	\$ 7,558,245	100	\$ 5,236,971	100
Less: sales return	(5,702)	-	(6,635)	-
Less: sales allowance	(11,630)	-	(9,004)	-
NET SALES (Notes 2 and 27)	7,540,913	100	5,221,332	100
COST OF SALES (Notes 23 and 27)	(5,959,233)	(79)	(4,101,348)	(78)
GROSS PROFIT	1,581,680	21	1,119,984	22
Unrealized profit form intercompany transactions	(69,940)	(1)	(48,829)	(1)
Realized profit form intercompany transactions	45,882	1	97,275	2
REALIZED GROSS PROFIT	1,557,622	21	1,168,430	23
OPERATING EXPENSES (Notes 23 and 27)				
Selling	(256,470)	(3)	(209,086)	(4)
General and administrative	(130,149)	(2)	(87,243)	(2)
Research and development	(56,524)	(1)	(57,676)	(1)
Total operating expenses	(443,143)	(6)	(354,005)	(7)
OPERATING INCOME	1,114,479	15	814,425	16
NON-OPERATING INCOME AND GAIN				
Interest income	1,763	-	1,915	-
Investment income recognized under equity method, net (Notes 13)	293,167	4	83,555	2
Gain on disposal of property (Notes 27)	850	-	155	-
Gain on disposal of investments	34	-	876	-
Exchange gain, net (Notes 2)	15,119	-	10,442	-
Gain for evaluation of financial liabilities-net	63,035	1	6	-
Other income (Notes 27)	31,266	-	53,161	1
Total non-operating income and gain	405,234	5	150,110	3
NON-OPERATING EXPENSES AND LOSSES				
Interest expense	(104,700)	(1)	(63,373)	(1)
Loss on disposal of assets	(1,316)	-	(585)	-
Loss on physical inventory, net	(1,464)	-	(350)	-
Loss on decline and sluggish in value of inventory	-	-	(621)	-
Loss for evaluation of financial assets	-	-	(340)	-
Other expenses	(41,495)	(1)	(19,715)	(1)
Total non-operating expenses and losses	(148,975)	(2)	(84,984)	(2)
INCOME BEFORE INCOME TAX	1,370,738	18	879,551	17
INCOME TAX EXPENSE (Notes 2 and 24)	(227,249)	(3)	(207,853)	(4)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES, NET OF TAX BENEFIT OF \$1,840 DOLLAR	-	-	(5,521)	-
NET INCOME	<u>\$ 1,143,489</u>	<u>15</u>	<u>\$ 666,177</u>	<u>13</u>
	2007		2006	
	Before	After	Before	After
	Income	Income	Income	Income
	Tax	Tax	Tax	Tax
EARNINGS PER SHARE (NT\$, Notes 25)				
Basic earnings per share	<u>\$ 4.63</u>	<u>\$ 3.87</u>	<u>\$ 3.08</u>	<u>\$ 2.36</u>
Diluted earnings per share	<u>\$ 4.39</u>	<u>\$ 3.67</u>	<u>\$ 2.95</u>	<u>\$ 2.25</u>

The accompanying notes are an integral part of the financial statements.