

GLORIA MATERIAL TECHNOLOGY CO., LTD.
 INCOME STATEMENTS
 For the Nine Months Ended December 31, 2006 and 2005
 (Amounts Expressed in Thousands of New Taiwan Dollars)

	2006		2005	
	Amounts	%	Amounts	%
SALES	\$ 7,208,874	100	\$ 6,729,008	100
Less: sales return	(10,415)	-	(9,439)	-
Less: sales allowance	(10,814)	-	(7,557)	-
NET SALES	7,187,645	100	6,712,012	100
COST OF SALES	(5,624,087)	(78)	(4,858,268)	(72)
GROSS PROFIT	1,563,558	22	1,853,744	28
Unrealized intercompany profit	(45,882)	-	(97,275)	(1)
Realized intercompany profit	97,275	1	18,001	-
REALIZED GROSS PROFIT	1,614,951	23	1,774,470	27
OPERATING EXPENSES				
Selling	(282,544)	(4)	(298,581)	(4)
General and administrative	(121,337)	(2)	(117,879)	(2)
Research and development	(77,037)	(1)	(103,814)	(2)
Total	(480,918)	(7)	(520,274)	(8)
OPERATING INCOME	1,134,033	16	1,254,196	19
NON-OPERATING INCOME				
Interest income	2,762	-	1,126	-
Investment income recognized under equity method	113,295	2	92,035	1
Dividends income	-	-	-	-
Gain on disposal of property	262	-	22	-
Gain on disposal of investments	18,324	-	310	-
Gain from price recovery of inventory	-	-	-	-
Gain for evaluation of financial assets	-	-	-	-
Gain for evaluation of financial liabilities	-	-	322	-
Exchange gain,net	22,740	-	2,323	-
Rental income	233	-	160	-
Gain on market price recovery of short- investments	-	-	-	-
Gain on market recovery of inventories	-	-	-	-
Other income	62,630	1	43,366	1
Total	220,246	3	139,664	2
NON-OPERATING EXPENSES				
Interest expense	(90,541)	(1)	(105,735)	(2)
Investment loss	-	-	-	-
Loss on disposal of assets	(3,016)	-	(33,836)	(1)
Loss on inventory valuation loss and obsolescence	(2,921)	-	(10,926)	-
Loss for evaluation of financial assets	-	-	-	-
Loss for evaluation of financial liabilities	(299)	-	(1,282)	-
Loss on physical inventory	(567)	-	(1,352)	-
Exchange loss,net	-	-	-	-
Loss on market decline of inventories	-	-	-	-
Other expenses	(25,419)	(1)	(18,958)	-
Total	(122,763)	(2)	(172,089)	(3)
INCOME (LOSS) BEFORE INCOME TAX	1,231,516	17	1,221,771	18
INCOME TAX EXPENSE	(277,597)	(4)	(290,850)	(4)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	(5,521)		-	
NET INCOME (LOSS)	\$ 948,398	13	\$ 930,921	14
EARNINGS PER SHARE				
Net income(loss) before income tax	\$ 4.29		\$ 4.76	